

NATION'S BUSINESS

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A New Era
Dawns in Industry

By Edsel Ford

Tomorrow's
Airports

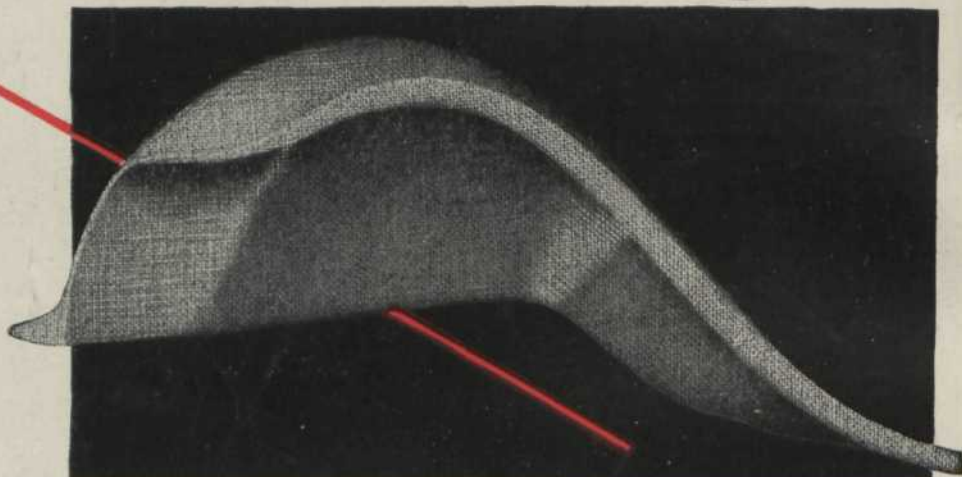
By Francis Keally



MORE THAN 300,000 CIRCULATION

SINCE 1858, THE WORLD'S LARGEST MAKERS OF QUALITY BAGS

This is a Bag



TAILORED TO FIT !

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OMAHA
NEW ORLEANS
SAN FRANCISCO
INDIANAPOLIS
MEMPHIS
KANSAS CITY
SEATTLE
WINNIPEG
HOUSTON
BROOKLYN
BUFFALO
WICHITA
WARE SHOALS, S. C.

Cotton Mills

ST. LOUIS
INDIANAPOLIS
BEMIS, TENN.
BEMISTON, ALA.

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INDIANAPOLIS

Paper Mill

PEORIA



IT doesn't look like any bag you ever saw, does it? Yet it is—a Bemis Bag, made to measure for one product, for one purpose. That purpose is—

To protect the finish of automobile fenders against the hazards of export shipment.

This bag is one of many types we make to measure—for farm implements, carpets, hose, tires, tools, and other objects of distinctive shape.

Bemis Bags can make YOUR shipments safer—and save you money!

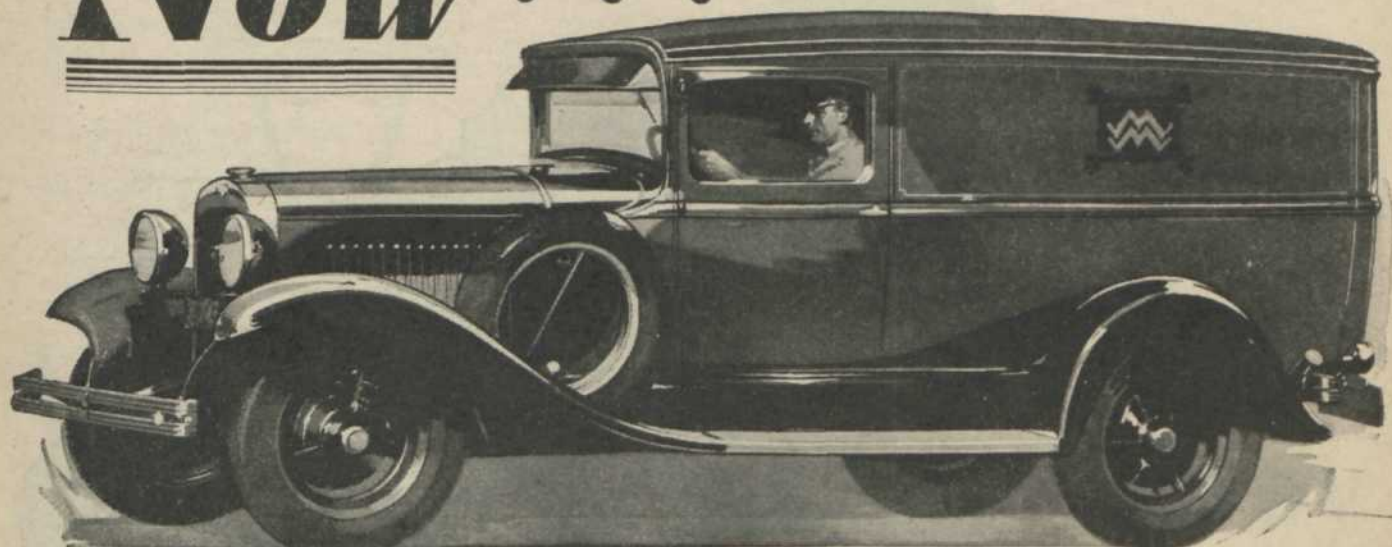
Let us send one of our expert Packaging Engineers into your plant. No obligation on your part, yet the move may result in a large saving annually. Address, Bemis Bro. Bag Co., 402 Poplar St., St. Louis, U.S.A.

BEMIS BAGS

TWINES AND THREADS FOR BAG CLOSING

M979

Now . . .



A FARGO PACKET SIX

. . . a Chrysler Creation
with a 6-Cylinder Engine



Add to the Fargo line a 1/2-Ton Packet with a powerful, Chrysler-built, 6-cylinder engine—priced at \$595 for the chassis. Here is new snap and dash in appearance. New snap and dash in performance.

Here is new evidence of the Chrysler Motors leadership—proof at your door that your delivery equipment can look like Sunday morning and work like Saturday night.

In the new 6-cylinder Packet Panel,

as never before in standard production, are the beauty and distinctive line you would expect only in a custom built



FARGO CLIPPER SEDAN—ideal for salesmen, for merchandise display, for station wagon or bus service. Seating capacity can be provided for eight, with seats instantly removable to permit use of compartment for standard load.

job. In it, too, is plenty of load room. Flashing through traffic Fargo carries your name proudly—your merchandise swiftly, safely and dependably. Engineered and built to assure low operating costs even at this low purchase price.

\$595

CHASSIS F. O. B. FACTORY

FARGO 1/2-TON PACKET PRICES—Chassis \$595; Panel \$845; Screen \$845; Canopy \$835; Sedan \$945.

FARGO 3/4-TON CLIPPER PRICES—Chassis \$725; Panel \$975; Screen \$975; Canopy \$965; Sedan \$1075. (All prices f. o. b. factory.

Fargo dealers extend the convenience of time payments.)

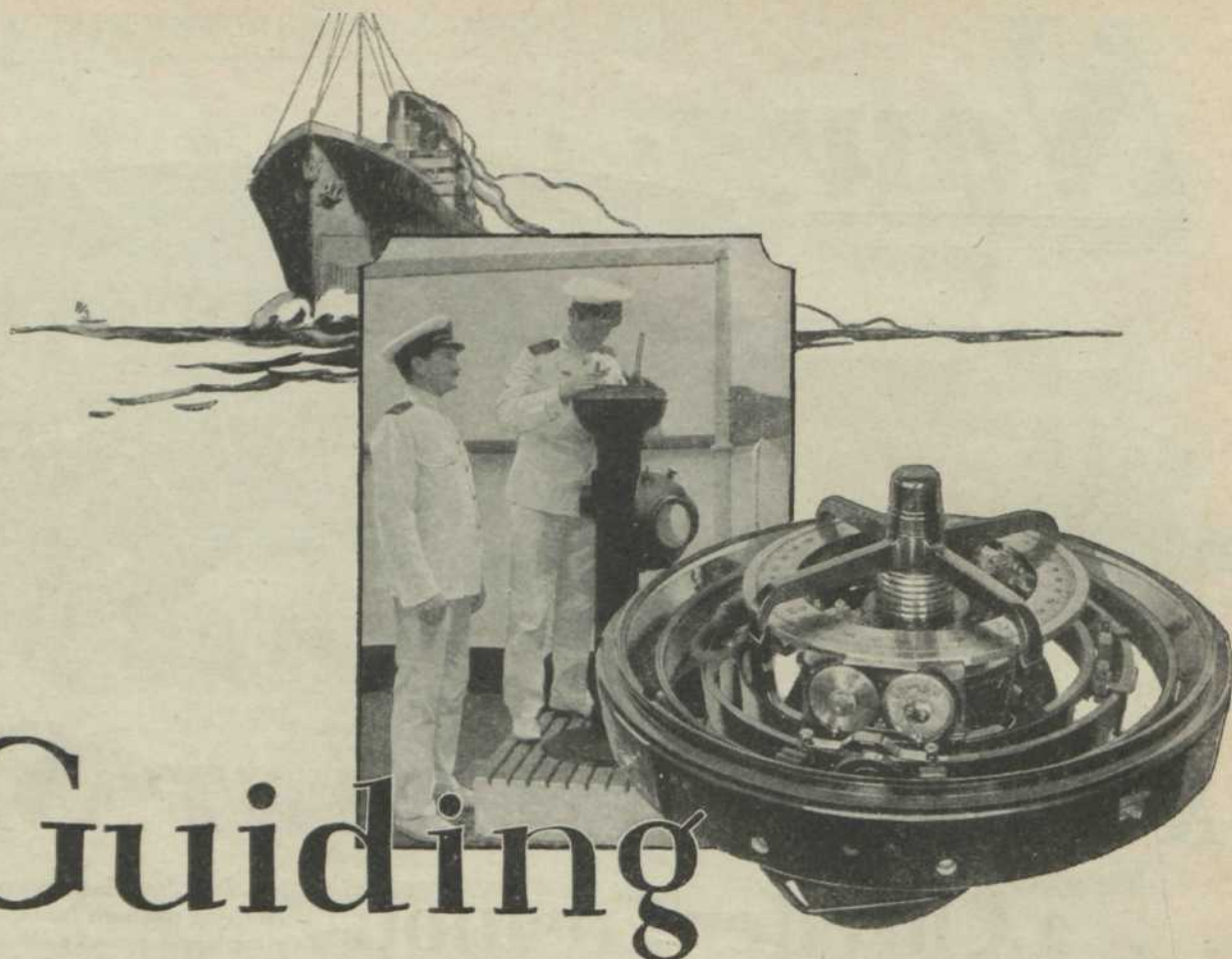
Fargo 1-Ton price will be announced next month; prices of the 1 1/2 and 2-Ton later.

FARGO MOTOR CORPORATION, DETROIT, MICHIGAN
(Division of Chrysler Corporation)

FARGO

CHRYSLER MOTORS PRODUCT

Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States, Washington, D. C. Subscription price \$5.00 a year; \$7.50 three years; 25 cents a copy. Entered as second-class matter March 20, 1920, at the Post Office at Washington, D. C., under the Act of March 3, 1879.



Guiding

great ships across trackless oceans
—with the help of **SKF** Bearings

THE day of the centuries-old magnetic compass that guided Columbus to a new world, is going the way of the towering sails that he unfurled to the four winds.

And in its place has arisen a new mechanical marvel that depends not upon the attraction of that mysterious spot on the chart that is known as Magnetic North, but upon wheels revolving at terrific speeds in a miracle-working product of science that points to True North always.

And the Sperry Gyroscope Company, knowing full well the necessity for bearings that could be counted upon to stand up under all conditions of service, has selected for this newest and greatest aid to navigation

"The highest priced bearing in the world."

SKF INDUSTRIES, INCORPORATED

40 East 34th Street, New York, N. Y.

SKF

Ball and Roller Bearings

A Sperry Gyro Wheel that revolves at 8600 R.P.M. In a test conducted by the Sperry Gyroscope Co., **SKF** Bearings were in operation 24 hours a day for 747 days, a total of 8,734,848,000 revolutions — the longest continuous bearing run on record.

YOU MAY BUY A
BEARING AS A
BARGAIN BUT
TRY AND GET A
BARGAIN OUT OF
USING IT

for

Nothing is apt to cost so much
as a bearing that cost so little





PRODUCTION DOUBLED *with* OveR-Way

*Facts given a Gould Reports Investigator
by the Sloan Valve Co., Chicago:*

"Twelve tons of high quality brass castings are poured daily in the manufacture of Sloan Flush Valves. Our foundry with an area of only 14,000 sq. ft., has been pronounced one of the most efficient and economical brass foundries in the world.

"Molten metal is handled on a Richards-Wilcox OveR-Way System, which reaches from the 16 furnaces to every mold on the floor. Pots of 270 lbs. molten brass are carried by R-W Ball-bearing Trolleys, and poured into the molds without any hand lifting.

"We pour an average of 90 heats in an 8½ hr. day. By handling on the OveR-Way, we pour a pot of metal in an average of 6 minutes, which is twice as fast as the work could be done otherwise.

"The OveR-Way enables us to double our production, and handle a large tonnage in a small floor area, without increased labor cost. With the aid of OveR-Way, each of our 3-man crews pours an average of 6 tons a day.

"A second OveR-Way in our receiving room unloads heavy material from motor trucks and conveys it to storage. Brass tubing, packed in long wooden boxes, was difficult to handle by hand and tubing was sometimes damaged. Saving this waste, and halving the time of unloading a truck, more than pays for the OveR-Way, though not used continuously.

*Ask for an R-W Engineer—he
will show you how to make
OveR-Way pay for itself in
your business.*

Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

New York • . . AURORA, ILLINOIS, U.S.A. • . . Chicago
Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines
Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit
Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg

QUALITY BRINGS LEADERSHIP

Of the 400 leading industrial companies* in America, 303 use Vacuum Oil Company products for their exacting requirements.

* The 400 companies are those ranked as largest in assets by a leading statistical bureau; oil companies not included.

WHEN so large a number of the leaders of industrial America purchase from the Vacuum Oil Company, it is striking evidence of the importance that these manufacturers place upon the correct lubrication of their important machinery.

63 years of experience in the manufacture and application of high quality lubricating oils justifies this confidence.

Where difficult lubrication jobs are encountered, where efficient operation is valued, where costly machinery is at stake—there Gargoyle Lubricating Oils are found.

Our world-wide force of more than 300 Lubrication Engineers makes over 90,000 visits a year to industrial plants, which enables us to provide them with a fund of up-to-

date lubrication information. This permits them to advise on the most modern trends in lubrication practice.

In thousands of plants they are helping to reduce the margins of operating costs by steadying the production curve, reducing costs of maintenance, power, and lubrication, and reducing depreciation of machinery.

One of our men will be glad to make a thorough check-up of your machinery and plant equipment and to recommend the correct grade of Gargoyle lubricants for each specific condition. This service is furnished you without cost. After our oils are installed, results are checked periodically by a lubrication expert.

Your request will bring our representative.



Lubricating Oils

The world's quality oils for plant lubrication

Vacuum Oil Company

HEADQUARTERS: 61 BROADWAY, NEW YORK

BRANCHES AND DISTRIBUTING WAREHOUSES THROUGHOUT THE COUNTRY

When writing to VACUUM OIL COMPANY please mention Nation's Business



This Month and Next

LAST month we suggested in an editorial that the man who had "no time to read" should make a definite appointment with this magazine for a fixed day and hour.

But we are trespassing on the reader's time if we do not bring to that appointment men he wants to meet, prepared to tell him things he ought to know. This month we arrive in the waiting room with a distinguished company and, as the appointment opens, make these introductions:

"Mr. Reader, may we present Edsel Ford, Senator Couzens heir apparent to the largest single-man business this country has ever seen. He will talk to you vividly of the nearness of great things in aviation (page 15).

"The next man is Francis H. Sisson, vice president of the Guaranty Trust Company, New York. You will want to ask him about new things in the world of finance, especially this thing Wall Street is calling 'bootleg money.' He can tell you what that means to bankers, to business

and to those millions of stockholders who own our great industries (page 17).

"Now shake hands with James Couzens, Senator from Michigan, who, as chairman of the Committee on Education and Labor, has observed some new aspects of unemployment" (page 19).

Since the time of this meeting may be limited, the reader will doubtless want to make another appointment with this issue of the magazine tomorrow or perhaps even later today.

At it he will meet other notable and well informed men.

Edward N. Hurley, former chairman of the Federal Trade Commission and war chairman of the United States Shipping Board will discuss the new relationship of business and government (page 22). Col. W. A. Starrett, vice president of Starrett Brothers, will outline the problems to be solved by the man who would construct a new and profitable skyscraper (page 25).

Whether or not the reader expects to utilize air transportation, he will want to spend some time with Francis Keally,



Senator Couzens



Edsel Ford



F. H. Sisson

VOLUME SEVENTEEN

NUMBER FOUR

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Every Minute of the Business Day

FOR EACH minute of the business day this Company handles at least one foreign exchange transaction—it may be the opening of an import credit, the collection of a foreign bill, the transfer of money by cable or any one of the many services which the Irving Trust Company performs for customers doing business or traveling abroad.

Our complete facilities and long experience in dealing with foreign countries, supplemented by the cooperation of correspondent banks throughout the world, insure prompt and accurate handling of all transactions.

IRVING TRUST COMPANY

Out-of-Town Office—Woolworth Building

New York

New York architect, whose vivid description of the airports of the future makes plain that this new form of travel may affect real-estate values, city planning and architectural standards in a way that will be of vital importance to every American business man (page 30).



Edw. N. Hurley

William Hard, who was with us last month, continues his interesting clinic on government reorganization (page 33), and L. D. H. Weld has some thought-provoking ideas about the economic function and justification of advertising (page 35).

Edward A. Filene, the Boston merchant, writes on how a busy business man can share in public activities and how such "outside work" becomes a positive benefit to him. "I Believe in Working With Others" is the title (page 179).

A great many myths will be shattered by John T. Lambert's informal chat about former President Coolidge. A newspaper correspondent of wide experience, Lambert is equipped to offer a new picture of the man who has just left the White House, a picture that reveals many little-known personal characteristics of the "silent" executive (page 45).



W. A. Starrett

Irving S. Paull applies an economic yardstick to distribution costs and finds that some widely accepted beliefs in the matter do not measure up to the facts (page 44).

William F. Merrill, president of Remington-Rand Business Service, Inc., sees a new age of mechanical merchandising just over the horizon. He sees the machine displacing human hands in the sale of many standard commodities (page 53).



Francis Keally

Next month we shall present other men and subjects of equal worth. William T. Foster and Waddill Catchings, authors of "The Road to Plenty," will discuss saving and spending. Herbert Corey will tell the story of two immigrants who landed in this country broke and who have found this a land that rewards vision and enterprise. Will Irwin will write on his observations in South America while accompanying President Hoover on the latter's good-will tour. Edward A. Filene will contribute a searching article on the effects of employe stock ownership. Fred C. Christopherson will write on South Dakota's misadventures in connection with the rural credits system.



Edward A. Filene



Ready...Waiting

Low Cost Power for Your Plant in Southern California

Surveys by foremost industrial engineers, market and financial analysts and business economists, show impressive and conclusive advantages to industry in Southern California. Your own investigation will prove to you that here is the most profitable location for your Pacific Coast plant.

Southern California Edison Company is ready—waiting to deliver direct to your plant, anywhere you may locate it within the 55,000 square miles served by this company, all the electric power you want, at very low rates.

To keep pace with the growth of industry in Southern California, this company has an approved program of 1929 development involving an expenditure of \$29,000,000. This will make a total investment of more than \$320,000,000 in the generating and distributing system of Southern California Edison Company.

Production costs are lower in Southern California. The largest concentrated market on the Pacific Coast, with highest buying power, is at your very door.

Transportation facilities by rail, water, air and motor are unsurpassed. Plant investment is minimized by equable climate. Labor conditions are ideal.



Every One Is Clock Conscious



Modern Business Compels Us To Be More Critical of Time Value Than Ever Before

CLOCK consciousness is evidenced by the fact that you regularly compare your timepiece with a jeweler's chronometer or some other reliable timepiece. You set your watch with a standard because you wish to have the **RIGHT TIME**.

A watch with a Self-Regulating device would be invaluable to you — a watch that you could put in your pocket and forget, knowing that it would always sense its own disagreement and automatically adjust itself.

That is exactly what you have in an International Electric Self-Regulating Time System — the ability of each Secondary Clock, Attendance Time Recorder, Job Time Recorder, Time Stamp, Program Device, or other unit, to compare and regulate itself hourly with an accurate standard.

An International Electric Self-Regulating Time System assures you of accurate, uniform, uninterrupted time throughout your entire organization.

Write for booklet "Pertinent Facts" describing in detail the International Electric Self Regulating Time System

INTERNATIONAL TIME RECORDING CO. DIVISION

International Business Machines Corporation

THE TABULATING MACHINE COMPANY DIVISION

DAYTON SCALE COMPANY DIVISION

50 BROAD STREET, NEW YORK, N. Y.

Branch Offices and Service Stations in
All the Principal Cities of the World



CANADIAN DIVISION

International Business Machines Co., Ltd.
300 Campbell Avenue, Toronto, Ont., Can.

When writing to INTERNATIONAL BUSINESS MACHINES CORPORATION please mention Nation's Business



Just as the chief executive controls his organization, the Master Clock controls an International Self-Regulating Time System.



Secondary Clocks provide with certainty the same time in every department.



Attendance Time Recorders insure the full-time use of all other machines in factory or business.



Job Time Recorders furnish an exact check on productive and non-productive time.

We Must Speculate!

THIS is written with the full knowledge that it will be misinterpreted; someone will surely "accuse us of advocating gambling."

It is a paradox that although the practice of speculation is as old as business it has come to a narrow and sinister association with the stock market and the grain "futures."

The popular understanding of speculation lacks perspective. It seizes on the familiar. It does not reach out to the fundamental verity that soberly studied risk is the decisive quality of all business.

Speculation is not the prerogative, the privilege, or the peculiar practice of "high finance." It touches the life of the common man in every venture.

When W. C. Antwerp looked at "The Stock Exchange from Within," he saw beyond its walls. He saw that every man who insures his house or his life buys a speculation, and that every company which insures him sells one. Every ship at sea carries a speculation with her, and leaves another behind her at Lloyds.

Moreover, the farmer speculates when he fertilizes his land, again when he plants his seed, and again when he sells his crop for future delivery. The merchant contracts to fill his shelves long before Spring arrives; he is speculating. The manufacturer sells to him, speculating on the belief that he will be able to buy the necessary raw material, and again on the labor, the looms, and the spindles essential to make delivery. In the South, the grower of cotton, and

in Australia the grower of wool are likewise speculating on a price at which they may sell to this manufacturer.

Evidence aplenty that "ours is a speculative society." It is an American characteristic to look to the individual to make experiments, to try new ventures, to estimate new needs in old ventures.

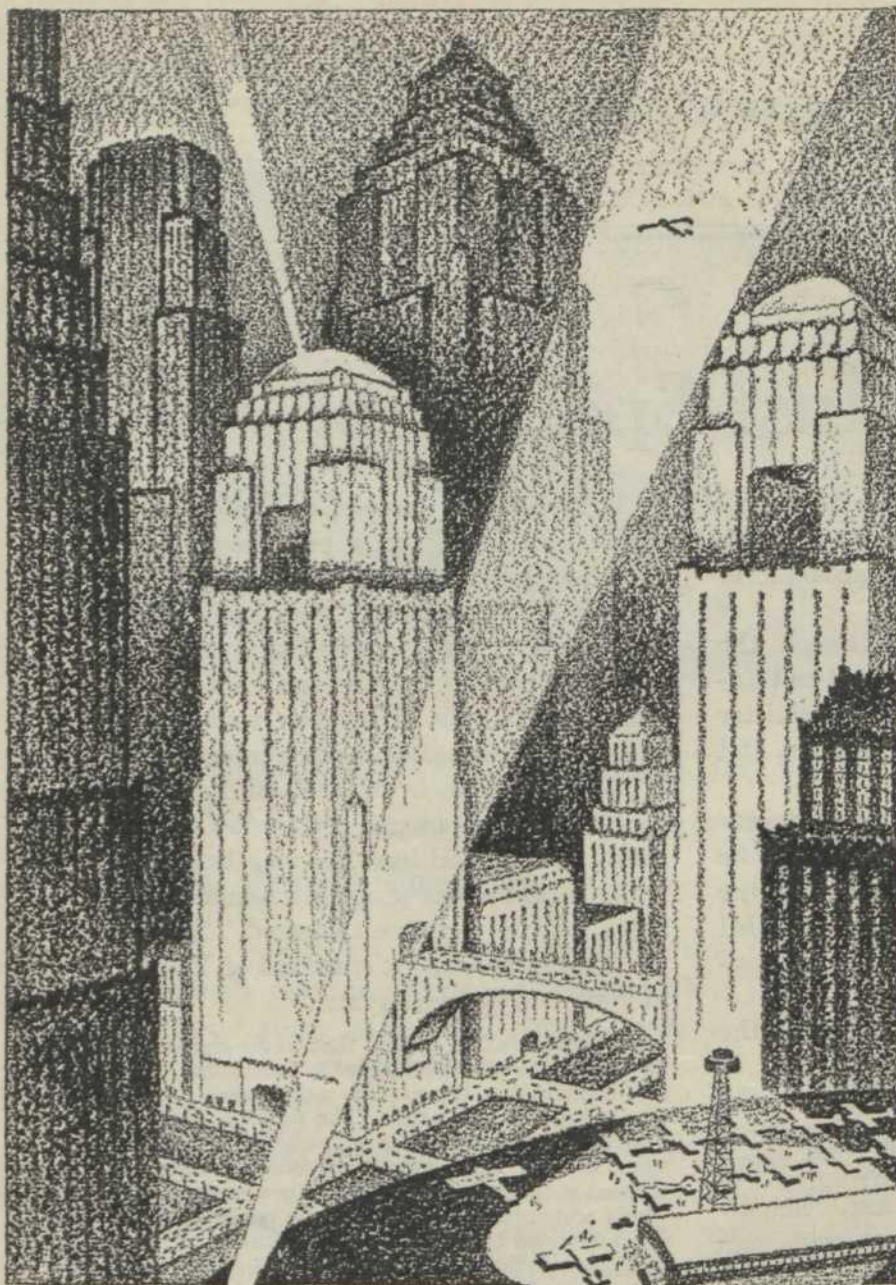
The consequences of business failure are severe, and cannot always be confined to individual loss. Are we, then, to forego all chance of progress? Again and again, our people have answered "No!" Dr. Hadley, president emeritus of Yale, in luminous phrase, says;

The conservative nation that never changes its methods avoids a great many losses, but it fails to make the conspicuous gains which constitute modern civilization. The problem of industrial growth can be solved only by encouraging enough experiments to secure progress without encouraging so many as to destroy the whole accumulated capital of the community. We have tried to accomplish the former object by giving individual possessors of capital the chance of realizing large profits in case of success, and to protect ourselves by insisting at least in theory that a man shall make these experiments at his own expense . . . If nobody were to be allowed to make them until the community was ready to vote for their adoption, they would be indefinitely delayed.

Risk is the one great certainty in individual and national progress. To avoid risk is to refuse to spend ourselves in the advancement of civilization. To thwart this spirit of adventure by legislation or bureaucracy is a public injury.

We must speculate if we would go forward.

Merce Thorne



The development of commercial aviation on a scale undreamed of a few years ago marks another great epoch in man's struggle against Time. Austin has served the aviation industry during the past decade, and has a fully organized Airport Division equipped to make Surveys, Reports, site selection, and to layout, design and construct complete airports, hangars, factories and other aviation buildings.



TIME...the master

TEMPUS FUGIT... the race is to the swift in the business world today. A generation ago men gaped at the new Waldorf and thought it the last word... permanent... now the wreckers raze it to make way for progress.

Rapid obsolescence is the bogey man in every directors' meeting. Only good engineering, with a far look ahead, can banish that prowler.

Austin's nation-wide organization, with a permanent staff of 450 trained engineers is helping business executives to defy Time's mastery... designing and building factories, warehouses and other types of con-

struction for the requirements of tomorrow as well as today.

Under the Austin Method of Undivided Responsibility, the complete project—design, construction and equipment—is handled by this one capable organization which guarantees in advance: 1. Total cost for the complete project. 2. Completion date within a specified short time. 3. High quality of materials and workmanship throughout.

Whatever type or size of building project you may be considering, wherever located, Austin can serve you with speed and profit to your business.

THE AUSTIN COMPANY

Engineers and Builders / Cleveland

New York Chicago Philadelphia Detroit
Cincinnati Pittsburgh St. Louis
Portland Seattle
Phoenix



The Austin Company of California: Los Angeles, Oakland and San Francisco
The Austin Company of Texas: Dallas
The Austin Company of Canada, Ltd.

Memo to The Austin Company, Cleveland— We are interested in a _____ project containing _____ sq. ft.
Send me a personal copy of ☐ "The Austin Book of Buildings" ☐ "Airports and Aviation Buildings" Individual _____
Firm _____ City _____ NB 4-29

When writing to THE AUSTIN COMPANY please mention Nation's Business

NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor



As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

Who Won In Indiana?



Indiana came to this question:

Can Rockefeller beat Stewart?

And the newspaper reading public got the answer "He can" and it is as ready to crown Mr. Rockefeller a champion of the corporation ring as it once was ready to crown Mr. Tunney or Mr. Tilden.

But the victory of Mr. Rockefeller lacked decisiveness. The stock holdings were his, but the stockholders were Colonel Stewart's. There were 23,000 stockholders of whom 15,000 voted to support the existing management.

The New York Times seeking to award the decision says:

The larger stockholders and the more powerful interests involved are more sensitive today than ever before to anything which appears to bring a reproach upon the methods of big business.

But there is perhaps a greater victory than that. The contest for control of Standard of Indiana is bound to bring to the investing public a new idea of the authority and the duty which accompany the ownership of stock. A bond holder may see himself only an owner of a part of the tangible assets of a corporation but an owner of stock cannot escape the fact that he has a measure of responsibility for the right or wrong conduct of the company in which he has "taken a share."

A Cabinet of Lawyers



men who make up the new cabinet. Here's a list:

HENRY L. STIMSON, Secretary of State, Lawyer.

ANDREW W. MELLON, Secretary of the Treasury, Banker.

CONTROVERSY and contest play a tremendous part in the making of news. Much of the public interest in the election of directors of the Standard Oil Company of

JAMES W. GOOD, Secretary of War, Lawyer.

WILLIAM D. MITCHELL, Attorney General, Lawyer, of course.

WALTER F. BROWN, Postmaster General, Lawyer.

CHARLES F. ADAMS, Secretary of the Navy, Lawyer, and treasurer of Harvard.

RAY LYMAN WILBUR, Secretary of the Interior, Doctor and teacher.

ARTHUR M. HYDE, Secretary of Agriculture, Lawyer.

ROBERT P. LAMONT, Secretary of Commerce, Manufacturer.

JAMES J. DAVIS, Secretary of Labor, labor leader and organizer.

It is interesting to note that an engineer president has a cabinet with six lawyer members out of ten; that of the eight he himself named six are lawyers; that only one new man, Mr. Lamont, has had engineering and business experience.

We have thought of this as a world of engineers and business men but when it comes to administration, the lawyers are still in the saddle.

Advertising Testimonials



THE advertising business is in a stir over testimonials. Cigaretts are offered for sale because a hero smokes them and beds because a well-known woman sleeps in one.

If a moving picture actress uses Someone's Soap then you and the butcher, the baker and the candlestick maker should wash with that soap and no other.

Underneath it all the testimonial is a sound and sensible form of advertising. More goods are sold on testimonial perhaps than for any other reason. We read a book because a man whose judgment is good tells us that it is worth reading. Our neighbor in the next office says: "That's a nice looking suit of clothes. Who made it?" and a tailor gets a new customer because of a testimonial.

Nothing is wrong with testimonials. Much is wrong with the way they are used and the whole advertising world is in a pother. All sorts of remedies are proposed for the abuse of this type of advertising.

Paul Hollister, vice president of Batten, Barton, Durs-

tine & Osborne would put the burden of distinguishing between good and bad testimonial advertising upon the publisher.

Suppose, says Mr. Hollister, that a great publisher should say to himself:

I therefore do hereby gravely stipulate that before I run a page of so-called "testimonial advertising" in my magazine, I am going to be reasonably satisfied of two things: 1. that every cited endorsement be *unpaid*; 2. that every such endorsement be *voluntary*.

Then Mr. Hollister goes on to ask what would happen if two publishers should agree on this program and "if the matter became the code for nonfraudulent advertising in all reputable advertising."

With any plan to make advertising more honest, more effective, and in better taste this magazine is in hearty sympathy. But isn't Mr. Hollister asking the wrong man to shoulder the burden?

If the advertising industry needs a little spring house-cleaning, the job belongs to the advertisers and their agencies, not to the publisher. *Sales Management* has a sounder proposal when it telegraphs to President Young-green of the International Advertising Association proposing that that body found an "audit bureau of advertising" as the publishers, when they were under fire for making untruthful circulation statements, formed the Audit Bureau of Circulation.

To the profession of advertising then we say two things:

1. Don't forget that testimonials are an intelligent and effective means of selling one's wares. Authority is a great factor in making purchases.

2. Because testimonial advertising is and can be abused don't ask another industry to take the responsibility for the abuse.

If there are rotten apples in the barrel it is the grocer who should sort them out, not the apple buyer or the apple eater.

Some Figures on Manufactures



IT would be easy to attach too much weight to the recently published figures of the census of manufactures for 1927 and the comparisons of them with the figures for

1925. It is not easy to reconcile such figures as these.

Our population as estimated by the Bureau of the Census was 115,375,000 on July 1, 1925. Two years later on July 1, 1927, it was 118,628,000—an increase of just under 3 per cent. Yet the value of manufactured products in 1927 was \$62,713,947,403 and in 1925, \$62,668,259,591, a difference of little more than half of one per cent.

Surely there was no loss in per capita consumption in the two years and it is hard to believe that a change in price levels can account for the difference.

The figures as to number of manufacturing plants seem to fly in the face of much of the talk of "big business," "mergers," "trusts." The census reports 191,863 in 1927 and 187,224 in 1925, an increase of more than 2½ per cent or nearly the population growth.

With this increase in the number of plants reporting is a decline in the average number of wage-earners from 8,381,000 in 1925 to 8,351,000 in 1927, perhaps an indication of the substitution of machines for men.

One more figure, this time from the income tax returns. For the year 1925 there were 88,674 manufactur-

ing corporations which made income tax returns. Their reported gross income was \$61,000,000,000, not far from the figure given by the Census of Manufacture as the total value of manufactured products of 191,863 factories.

Taxes Are First Magnitude



FOR nine months *NATION'S BUSINESS* has been seeking to learn from its subscribers what topics were uppermost in their minds. It put before each buyer of the magazine a list of subjects and asked which was of chief importance to him. These were the subjects:

Cutting down taxes
Cutting down production costs
Cutting down selling costs
Meeting competition from other lines of business
Building of sales
Securing a better margin of profit on present sales.

In September last we gave these results of the first three months:

Cutting down taxes.....	1,244
Cutting down production costs.....	238
Cutting down selling costs.....	256
Meeting competition from other lines of business.....	482
Building of sales.....	652
Securing a better margin of profit on present sales.....	600

Now we have before us the figures for the nine months ended on January 31 as follows:

Cutting down taxes.....	5,342
Cutting down production costs.....	851
Cutting down selling costs.....	1,044
Meeting competition from other lines of business.....	2,250
Building of sales.....	2,562
Securing a better margin of profit on present sales.....	2,475

There is little change in the percentage. Taxes still loom largest, building up sales second and better profits on present sales third.

How human it all is. If we could only pay out less and take in more and make a larger profit on what we take in it would be a fine world in which to do business.

But there's no doubt and these figures show it—that increasingly our readers realize that questions of taxation are a major part of their business troubles.

An Offer to Mr. Coolidge



NATION'S BUSINESS, to the hour of going to press, retains its place among the magazines which have not invited Calvin Coolidge, citizen of the United States and resident of Northampton, Massachusetts, to contribute to its columns.

Not that we should not welcome Mr. Coolidge. We should. And we promise to give to any manuscript he may care to submit consideration from the same points of view that we give to all manuscripts. We shall ask ourselves:

Does it come within the editorial field of this magazine?

Is it on an important subject within that field?

Is it interesting—so told as to be acceptable to a sufficient number of our readers?

Is the author's name one that would carry weight, that would make his opinions worth while?

And if the answer to those questions is, as it probably would be, "yes," then we should be glad to offer to Mr.

Coolidge a sum which would, we trust, be adequate and which should give due importance to the value, in attracting attention to this magazine and to the article, of the office which Mr. Coolidge once held.

And we'll go still farther. Mr. Coolidge need not enclose stamps with his manuscript.

Most of Us Are Honest



FOR forty years the Hebrew Free Loan Society in New York has been advancing money to small tradesmen and mechanics, "to help them to help themselves" and in all that time more than 97 per cent of the loans have been repaid by the borrowers themselves and in less than 3 per cent have endorsers been called upon.

Poor men, all who borrowed. No loan has been for more than \$500 and the bulk were for \$25 and \$50.

A tribute to the general honesty of humanity. Jew or Gentile, rich or poor, most folks pay what they owe.

Is Business Overorganized?



PHILIP H. GADSDEN as president of the Philadelphia Chamber of Commerce is struggling with a big task. He wants to coordinate the various civic bodies through which business in that city is working for the common good.

Philadelphia has on the authority of a bulletin of the Corn Exchange Bank of that city 46 separate trade organizations trying to do chamber of commerce work. Here's the list printed not because it is peculiar to Philadelphia but because it sets forth in most effective form a problem which confronts organization work in our large cities:

Better Business Bureau of Philadelphia
Commercial Exchange of Philadelphia
Manufacturers Association of West Philadelphia
Tacony Manufacturers Association
Pennsylvania Manufacturers Association
Arch Street Business Men's Association
Burholme Board of Trade
The Business Men's Association of Germantown
Chestnut Street Association
Central North Philadelphia Business Association
Chestnut Hill, Mt. Airy and Wyndmoor Business Men's Association
East Falls Business Men's Association, Inc.
Fairmount Business Men's Association
Fern Rock Business Men's Association
Frankford Avenue Business Men's Association
Girard Avenue Business Men's Association
Greater Kensington Business Men's Association
Italian Chamber of Commerce
Kensington Board of Trade
Lancaster Avenue Business Association
Lansdowne Avenue Business Men's Association, Inc.
Manayunk Business Men's Association
Market Street Merchants Association, Inc.

Northeast Philadelphia Chamber of Commerce
North Eighth Street Business Men's Association
North Front and District Business Men's Association
North Philadelphia Business Men's Association
North Second Street Business Men's Association
Northwest Business Men's Association
Olney Business Men's Association
Philadelphia Board of Trade
Philadelphia Chamber of Commerce
Ridge Avenue Community Business Men's Association
Roxborough Business Men's Association
Sansom Street Business Men's Association
South Germantown Business Men's Association
South Philadelphia Business Men's Association
South Second Street Business Men's Association
South Sixtieth Street Business Men's Association
South Street Business Men's Association
Southwest Philadelphia Chamber of Commerce
Tioga Business Men's Association
Twenty-first Ward Board of Trade
United Business Men's Association
Walnut Street Business Men's Association
West Philadelphia Chamber of Commerce

No one can question the right of any group of business men whether their association be geographical or industrial to get together to deal with the problems common to all of them. If Fifth Avenue Business wants one thing and Broadway Business another, the two groups must have their say.

But there is a danger of overdoing organization. Mr.

Gadsden has proposed for Philadelphia a federation of all these groups under the general leadership of the Philadelphia Chamber. No answer perhaps is good for all cities. There have been suggestions that the city Chamber set up regional bureaus for dealing with neighborhood questions.

One thing is certain, business knows that there is always a danger of overorganization, of too many weak groups carrying on too many aimless activities.

Can Tariff Be Unselfish?



TARIFF changes for farm relief are on the program for the special session of Congress but the mail that comes to this office shows how hard it is to touch tariff at any point without an outcry from a dozen quarters.

An increase in the tariff on non-edible oils is proposed in order to assist the American growers of cotton and corn. Who objects? One letter comes to us from the Linen Supply Association whose members provide coat and towel service and who see in the proposed tariff changes higher soap prices.

An increased tariff is proposed for casein to help our dairy industry use its skim milk and makers of glue and coated paper are heard from. Casein makes fine paper stock for illustrated magazine use and a high grade of glue for laminated wood.

And sugar! Cuba, the Philippines, Porto Rico, Louisiana, the midwest states where sugar beets grow and maple sugar producers of New York and New England have each a point of view while the makers and importers of candy and the soft drink manufacturers all clamor for a hearing. Sugar takes us into molasses and molasses into industrial alcohol and industrial alcohol into a hundred industries.

A statesman helped to kill his chances of election to the presidency by declaring that "the tariff is a local issue." Yet if it is not local it is highly individual. A national viewpoint of the tariff is hard to get particularly when the pocketbook is involved.

More Banks than Barber Shops



A RECENT book by a bank cashier and describing life on an Iowa Main Street says that there are more banks in Iowa than there are barber shops, his figures for banks being 1,827 and for barber shops 1,574.

The figure is surprising but not unbelievable. Banks flourished like the green bay tree at one time in the Middle West and barber shops may well be on the decline as the safety razor takes the place of the Saturday night shave and social hour.

The check book takes the place of the woolen sock and the decrease of barber shops is not accompanied by an increase in whiskers.

Sex and the Buying of Things



DR. JULIUS KLEIN, Director of the Bureau of Foreign Commerce, tells the women readers of the *Ladies Home Journal* that "41 per cent of our passenger cars are bought by women and the influence of women is far from negligible in negotiating the remaining 59 per cent."

The figures are not official. They come from estimates of advertising agencies. They come from advertising

sources and are perhaps subject to correction, but let's take them at their face and restate the sentence:

"Fifty-nine per cent of our passenger cars are bought by men and the influence of men is far from negligible in negotiating the remaining 41 per cent."

The truth probably is that in the great majority of American families where the automobile is bought largely for pleasure, comfort and convenience and not as a business tool, the automobile is bought by both husband and wife.

It's a fair guess that the man has most to say about the price level, that he expresses a preference for one or two or three makes within that price level and that the wife has a major share in the decision as to appearance.

There are few things whose selling price is in the hundreds that are bought single-handed and single-headed by one member of the family. The editor of a furniture journal once said:

"Practically no furniture except small pieces is ever bought until the husband has seen it. He may fight against it but he is certain to be dragged to the store and his opinion asked before a new dining room set or a living room rug is bought."

What Price Poor Health?



to cure disease as to prevent it.

With that eagerness for exactness which is characteristic of business, these good citizens of Chicago have figured that preventable illness causes 42,000,000 workers to lose 47,500,000 work days a year. And it costs each year a three billion dollar loss.

Whether these figures are over- or understated the bill for ill health, and for ill health which might be headed off, is a tremendous one, and Chicago has undertaken a useful task.

Mr. Hurley who put the figures which we have just cited before President Walter Dill Scott of Northwestern University, has a novel name for these community clinics. He calls them "health inventories," and whether he means places where health is invented or where health is inventoried, it's a picturesque word for an important project.

What's an Executive?



What is an executive? At what point does Mr. A rise from the ranks and become an executive?

Funk and Wagnalls tells us that an executive is "a person who executes or carries out," a definition far too narrow for us, while Webster calls him a "person charged with administrative or executive work."

We find a wider appreciation of the true meaning of executive when we read the advertising. We learn that in a New York hotel "young college graduates and junior executives" may have double rooms for \$17 a week.

Then we find that fountain pens are a test of the executive. The true executive has at least one pen in a jade

OUT in Chicago some public spirited men led by Edward N. Hurley are working for the establishment of a community clinic whose main purpose is not so much

to cure disease as to prevent it.

With that eagerness for exactness which is characteristic of business, these good citizens of Chicago have figured that preventable illness causes 42,000,000 workers to lose 47,500,000 work days a year. And it costs each year a three billion dollar loss.

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THE S.P.A.W.—the Society for the Prevention of the Abuse of Words—should devote its earnest and immediate attention to "executive."

or alabaster base. Greater executives have two. Heroes and villains in the moving pictures of the west are one-gun and two-gun men. So executives should perhaps be classified as one-pen and two-pen executives.

Or it may be that the cushion's the test. "Executive chair pads," says an announcement. The seats of the mighty are made soft and the nonexecutive must be content with polished wood and shiny trousers.

So much for the material things that help to distinguish the executive from the nonexecutive. But there is a better rule. An executive is anybody who can give an order to anybody else. That lets in everyone but Thomas, the office boy, and if we have another office boy tomorrow Thomas will by that very fact become an executive.

An overworked word "executive." It should have a holiday.

A Step in the Right Direction



GOVERNOR Louis L. Emmerson recently made a house cleaning of the Illinois State Fire Marshal's Department. Governor Emmerson had called for a report from each State Department and when he studied the one from the State Fire Marshal's Department, he took decisive action, ordering the Fire Marshal to discharge 43 of his staff of 48. The governor is quoted as saying:

The condition disclosed in the report of this division is deplorable. This particular branch of the State Government is supported by a tax of one-fourth of one per cent on fire insurance premiums. Therefore, the burden is on the public.

The Division of State Fire Prevention asked in its budget to the fifty-fifth general assembly an appropriation of \$363,230. No doubt this vast amount was requested as a companion to a bill, which failed of passage, increasing the tax on fire insurance companies 33 1/3 per cent, and would, if passed, permit an increased staff of deputy fire marshals of 75.

The report of the department further shows that a great number of employes were performing little, if any, service for the state. The fact that this department is maintained by a tax on insurance companies excuses none of the vice of wastefulness or inefficiency in Government.

There's good sense in the governor's action but a little fallacy in his reasoning. The burden is not on the public. It falls directly on a part of the public, those who pay fire insurance premiums.

Airplanes Will Help Railroads



IN 1926 the per capita passenger traffic by railroads in the United States was 303 miles. In 1928 it was 262 miles. Any man can figure what it will be in 1930 or 1932.

Steadily the passenger traffic by rail in this country has fallen. "Passenger-miles fell 6.3 per cent below 1927 and by varying percentages were less than in all previous years back to 1909," says the Bureau of Railway Economics.

Freight tells a somewhat different story: "The ton-miles of 1928 represented the second greatest freight traffic of any year of record the aggregate ton-mileage of 1926 being first and that of 1927 third."

What has affected passenger travel? The answer which leaps to everyone's lips is the automobile. And if the automobile has had this effect on train travel what will happen when the airplane is added to the automobile?

One thing is likely: The railroads are going to be quicker to make air travel a part of the goods they have to sell than they were to adopt automotive transportation in the shape of the bus.

A New Era Dawns in Industry



By **EDSEL FORD**

As Told to
Lawrence G. King

Edsel Ford (right), wearing boots and armed with a signal flag, watches a new plane put through its paces at the Ford Airport. (Below) Ten passengers enjoy a comfortable and speedy journey by air liner

NATIONAL AIR TRANSPORT



THERE are sound economic reasons for believing that a great epoch of air transportation is being born. I believe that 1928 will go down in history as the year in which American business accepted the airplane."

That is the opinion of Edsel B. Ford as expressed in his Detroit office the other day. Moreover, he believes that the most startling development of this generation will be in the air.

"Three great railroads of the West and two of the East have cooperated in the operation of fast passenger planes between Chicago and Minneapolis and St. Paul," he pointed out.

"The Pennsylvania and Santa Fe have united to establish a transcontinental air-rail passenger service. Commercial lines have been extended to Canada, the West Indies and South America. Passenger and mail lines operating on the west coast have perfected plans to fly from British Columbia to Mexico City.

"A new commercial and industrial era is beginning with

the airplane just as surely as new eras began with steamships, railroads and automobiles. Distrust and catastrophes marked the early days of those eras and befogged the true pictures of their futures.

"Likewise the heroic hazards of the war, the daring of pioneer fliers and the foolish use of antiquated machines have diverted public attention from the true achievements in air transportation. People remember these things and they also know the spectacular events that took place at Mineola, Le Bourget, Croydon and Templehof, but so many do not realize the realities of aviation.

"A recent survey of American commercial flying companies disclosed that there were but two fatalities to passengers in 5,000,000 miles of flight. Five million miles is hard to grasp—it is more than 200 times around the earth at the equator.

"The arrival of this new and tremendous force in our national life does not mean the obsolescence of the old means of transportation. It foretells only the extension of them and a great increase in man's power to cover great distances swiftly and unerringly. Aviation holds for us another safe and comfortable way to save time.

Any Town a World Port

"THE time is near when commerce and industry may cease to depend on the thousands concentrated in cities. This swifter, more flexible means of transportation may mean the decentralization of some of the great metropolitan areas. A man may commute 100 miles to his business. Whatever may be its effect on the cities, the airplane will certainly be important to inland towns. By air workers will have free access to the far places of

the earth. The cities and towns of the Middle West and the Pacific coast are already taking the lead in airport construction.

"By use of the airplane any inland city or town may become an international port. Fifteen years ago the Ford Airport, Kelly Field, Wright Field, Croydon and Le Bourget were farmland and automobile courses. Today they are known as world ports.

"The increasing number of airports is one reason why business has suddenly accepted the airplane. Until last year only the cities along the air-mail routes and a few others had airports worthy of the name. Today there are approximately 840 landing fields, of which 425 are municipally owned. The Army and Navy have 80.

"In addition to these, almost 1,000 proposed airports are registered with the Department of Commerce. This means that 1,000 cities and towns have sensed the opportunity and are seeking places on the country's air map. They know that airplanes, following the laws that have governed the development of other kinds of transportation, are being drawn to the most efficient terminals.

"As for the planes that will fly into these terminals, perhaps the greater number will be operated by transportation companies somewhat similar to the railroads. I believe we are about to see a repetition of the history of the automobile, but I do not anticipate an airplane in everyone's garage.

"Thousands of brilliant minds—engineering, chemical and electrical—are working on the problems that have hitherto troubled and delayed commercial flying. Radio beacons, Neon lights, earth inductor compasses and radiophones have

been produced by those minds and more will follow.

"The coordination of all these things logically rests with the great transportation companies. They have the money, backed by the experience. They will probably be the principal buyers of planes. Business houses and industrial organizations using planes for business, and private owners using them for business or pleasure, will make up the rest of the market. The airplane has this distinct advantage over the automobile, plenty of capital is available. Aviation already is a \$100,000,000 industry."

Preparing for Passengers

TRANSPORTATION companies do by far the greater part of the flying in the United States today. Last year mail planes alone flew something more than 6,400,000 miles and carried approximately 3,000,000 pounds of mail. Nearly every mail line in the country now has plans to reequip its lines with combined passenger and mail planes more or less similar to those now in use on the Northwest Airways between Chicago and the Twin Cities.

The constantly increasing mileage of the big operating companies and their demands for new equipment bear out Mr. Ford's theory that they are the greatest potential buyers of airplanes.

"The hundreds of mail planes that fly daily across 31 states are serving commercial areas populated by some 70 million persons," Mr. Ford went on. "They do more than carry mail, bank exchange, films, and hundreds of other products needed by those millions. They are bringing home to the business men in those areas knowledge that a new, speedy transportation vehicle is available. Every

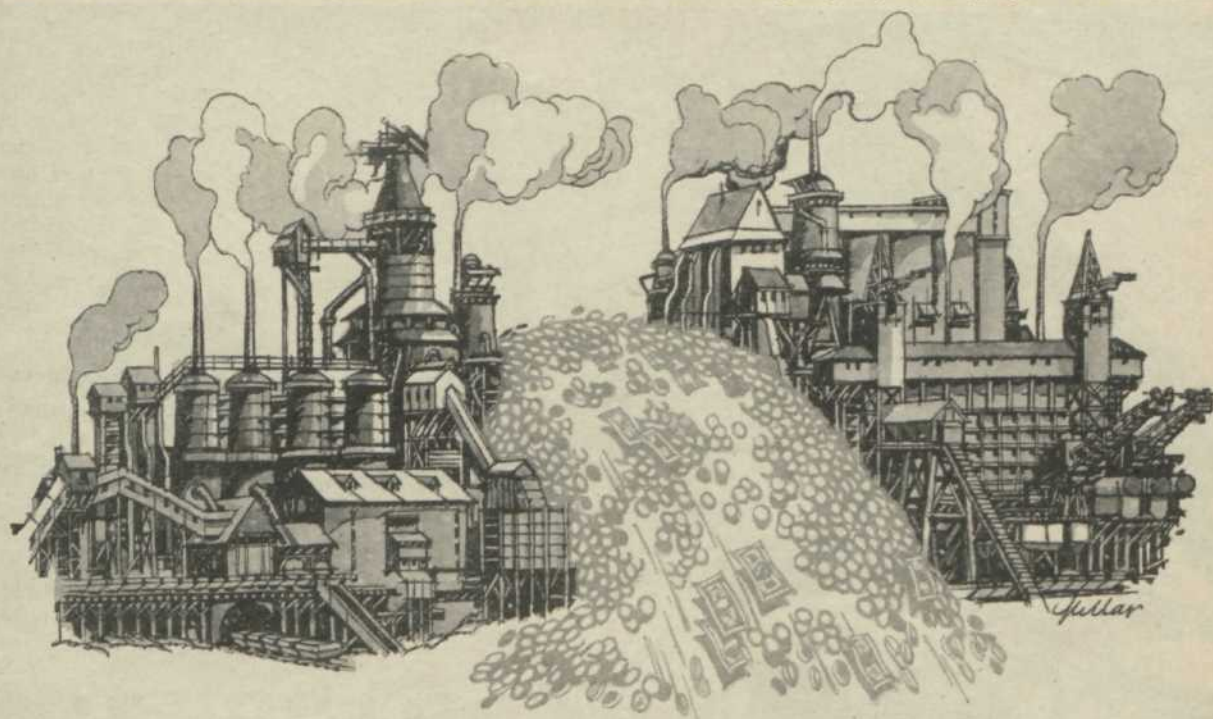
(Continued on page 143)



NATIONAL AIR TRANSPORT

Travelers are turning to aerial transportation in such numbers that many air-mail lines are reequipping their lines with planes to handle passenger service. The Detroit-Cleveland line is already in this business

A flood of money from industry's accumulated surplus of nearly a decade of prosperity is sweeping over the stock market



The What and Why of Bootleg Loans

By FRANCIS H. SISSON

Vice President, Guaranty Trust Company of New York

Decorations by Don Millar

ACROSS the borders of finance, over the barriers of banking procedure and precedent, defying restraint and threatening disaster, a flood of money from the accumulated surplus of nearly a decade of prosperity has been sweeping over the stock market in a wave of speculative enthusiasm.

So far efforts to restrain and direct this lawless torrent have had little effect and yet the potential menace is generally recognized.

The employment of the surplus cash of corporations and individuals in the call loan market has increased to a point where it represents one of the major financial problems of the day, and a factor of vital importance in the outlook for security prices and the general credit structure. More than six months ago it was pointed out that lending on call by corporations and individuals out of their own funds had developed into the most important element in the immediate money situation.

Since that time the amount of non-banking funds in the call loan market has increased by at least a billion dollars. By far the greater part of the stock market

expansion in the past year has been financed by corporate funds.

Recognizing that this growth was developing into a serious problem, the New York Clearing House Committee sought last Autumn to restrain further expansion by placing a minimum limit of \$100,000 on the amount that could be handled in a single transaction and by raising the fee to be charged by the banks for the service. This effort, however, proved entirely ineffective.

The magnitude of the problem is indicated by a comparison of the component items in brokers' loans as reported by the member banks of the Federal Reserve System in New York City.

On February 13 of this year the loans of these banks to brokers and security dealers, secured by stocks and bonds, amounted to \$5,568,000,000. Of this total, \$1,079,000,000 was advanced by the banks for their own account; \$1,859,000,-

000 represented loans for account of out-of-town banks; and \$2,612,000,000 was advances for account of "others." This
(Continued on page 152)

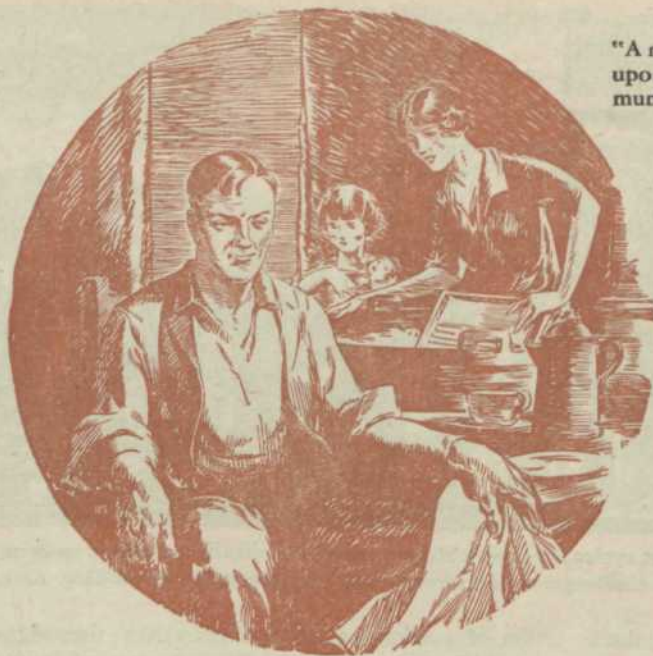




Shackling the Sleeping Giant—By Earl Horter

A WHIMSICAL giant is the Father of Waters, a useful, powerful and, too often, a terrible one. Bonds to contain his wrath and halt his ravages have been forged and reforged, only to be broken when next he awakened to revolt. But now man has undertaken to yoke the giant permanently to his channels, to make impossible a repetition of the disastrous floods of 1927. Mississippi flood

control as now planned is a ten-year task, estimated to cost \$325,000,000. The plan involves the construction of additional levees, opening of spillways, the use of natural basins as overflows, and an extensive program of revetment work. One phase of this work is pictured here, the placing of a protecting blanket of concrete slabs to halt the river's devastation of its banks



"A man out of work is a drag upon his family, upon his community and upon industry"

Keeping the Worker in Work

By JAMES COUZENS

United States Senator from Michigan

Illustrations by Sydney E. Fletcher

IN 1912, when we put into effect the \$5 a day minimum wage at the Ford automobile factory, employers everywhere held up their hands in pained surprise and uttered dire prophecies about the future. Certain ruin, they said, faced the Ford Company. No concern, they contended, could pay such high wages and stay out of bankruptcy. Moreover, they added, we were putting exalted notions into the heads of workmen about the value of their services and were making the labor problem more difficult for other employers.

Considerable water has gone over the dam since then. The Ford Company is still doing business successfully and no one, I think, will dispute that industry generally is getting along fairly well.

Predictions of disaster have failed to materialize despite the spread of the high wage heresy. In fact, the wage theory inaugurated by the Ford Company is widely recognized now as being economically sound not only because of the improved efficiency it has brought about among workingmen but because it has enabled people to buy and consume more products.

I venture that no one with any standing as an economist will disagree when I say that our present prosperity is, in a large measure, due to the increased purchasing power of our population brought

**8 hour
day
5 day
week**

about by the payment of high wages.

So much for wages.

We came next to recognize the necessity of providing labor with more leisure, not merely for purposes of recreation, but to give the workman time to consume the increased productions which his greater buying power had made possible. The eight-hour day is now accepted as basic. The Saturday half holiday has been widely adopted and now, I think, we are on the threshold of the five-day week.

Need for Stabilized Employment

HIGH wages and more hours of leisure—these have been the two great steps forward in the recent history of American industry upon which we can look with deep satisfaction, either from a humanitarian viewpoint or from an economic viewpoint—or both.

There remains, however, one still more important step to be taken before we may survey our progress with justified pride and that is the solution of the problem of unemployment.

I agree with Owen D. Young that the unemployment cycles through which we pass periodically are a blot upon our national life. They constitute a serious challenge to the intelligence

and ingenuity of the industry of America. We have no right to be proud of ourselves in this country until we can truthfully say that we have a job for everyone, all the time. Enlightened selfishness will insist upon nothing less. Supporting a vast army of unemployed, even for a short period, is a costly drain upon the nation's earning capacity. It is possible, we will come to see in time.

I believe that when depressions threaten, instead of cutting wages and laying off workers, the sensible and more profitable policy will be to raise wages and hire more men.

The problem is going to be solved and solved at no distant date, in my opinion, because industry is going to realize that unemployment is a form of economic waste which modern society can no longer tolerate.

I am convinced that business is approaching this realization from the evidence gathered by the Committee on Education and Labor of the United States Senate, in the committee's investigation of unemployment, now virtually completed.

This survey is being conducted by the Committee at the direction of the Senate in accordance with the provisions of the La Follette resolution adopted by the Senate in May, 1928.

The resolution ordered the Committee to "make an investigation concerning the

**10 hour
day
6 day
week**



The unemployment cycles through which we pass periodically are a blot upon our national life. They constitute a challenge to the intelligence and ingenuity of modern American industry

causes of unemployment and the relation to its relief

"1. The continuous collection and interpretation of adequate statistics of employment and unemployment;

"2. The organization and extension of systems of public employment agencies, federal and state;

"3. The establishment of systems of unemployment insurance or other unemployment reserve funds, federal, state or private;

"4. Curtailed production, consolidation, and economic reconstruction;

"5. The planning of public works with regard to stabilization of employment; and

"6. The feasibility of cooperation between federal, state and private agencies with reference to 1, 2, 3, and 4."

In its endeavors to carry out the purposes of the resolution, the Committee has been ably assisted by the Institute of Economics, and it owes much also to the intelligent and capable cooperation of representative business and industrial leaders who have responded to the call to come to Washington to testify concerning their views on the subject.

Stabilization Helps Everybody

THE significant thing about the testimony is the unanimous agreement of employers who have undertaken to stabilize their employment that their efforts have brought greater profits for their business.

The testimony given by Ernest G. Draper, of Hill Brothers Company of New York, is an example of what I mean by enlightened selfishness.

This company packs a highly perishable food product and a food product which is not consumed in certain seasons. Draper said the company used to employ about 300 persons for eight or nine months of the year and about 1,300 persons for the other three or four months.

The plan for stabilization of employment was suggested, scientists showed how the food product could be packed for future demand and, with some diversifi-

cation of production, the company has succeeded until now about 1,000 persons are employed at all times. The problem of untrained workmen is largely eliminated and the result is a higher morale, a greater production, better workmanship, and greater profits.

"Many business men seem to think that stabilization of employment is more or less a charitable affair," said Draper, "that it is good for society. But we aren't in business for charity; we are in business to make profits. It seems to me that by giving an example—an example of a comparatively small company to be sure, but one that has tried to regularize its production and has succeeded—we can show that it not only is desirable from the standpoint of society but that it is also desirable from the standpoint of individual gain."

The committee is indebted to Draper for a short memorandum which sums up, in many respects, the situation that we confront. The memorandum is worthy of greater circulation than the committee hearings will give it, in all probability, and I am going to take the liberty of quoting it in part:

"Most intelligent persons will agree," he said, "that the present mass production methods of American industry are sound and should be further developed.

"One of the most important facts in such development is the economic well-being of the individual consumer.

"A man out of work is a drag upon his family, upon his community, and upon industry itself, which might have won him as a consumer if he had been working and therefore able to buy in normal volume.

"Unemployment then is not only harmful from a social point of view. It is wasteful from a business point of view

"While endless discussion upon the problem of unemployment has taken place in the last 50 years, and various associations and periodicals have attempted to deal with certain aspects of it, no adequate machinery has ever been set up to attack the problem in an organized, na-

tion-wide way. The field is practically virgin territory. If several of the largest and most influential corporations of the country would cooperate to investigate and strive to cure this evil, they could do more in five years than a drifting policy could accomplish in 25 years.

"The hazard of broken employment is intrinsically no more difficult to deal with than the hazard of industrial accidents. These have been reduced to manageable size since 1910 by safety engineering, workers' education, factory inspection, and the like.

Now Is the Time to Act

THE time for industry to help in solving the problem of regularizing its production, and in other ways adopting farseeing methods of production is when the country is prosperous as at present, instead of later when conditions may have changed. The time to act is now."

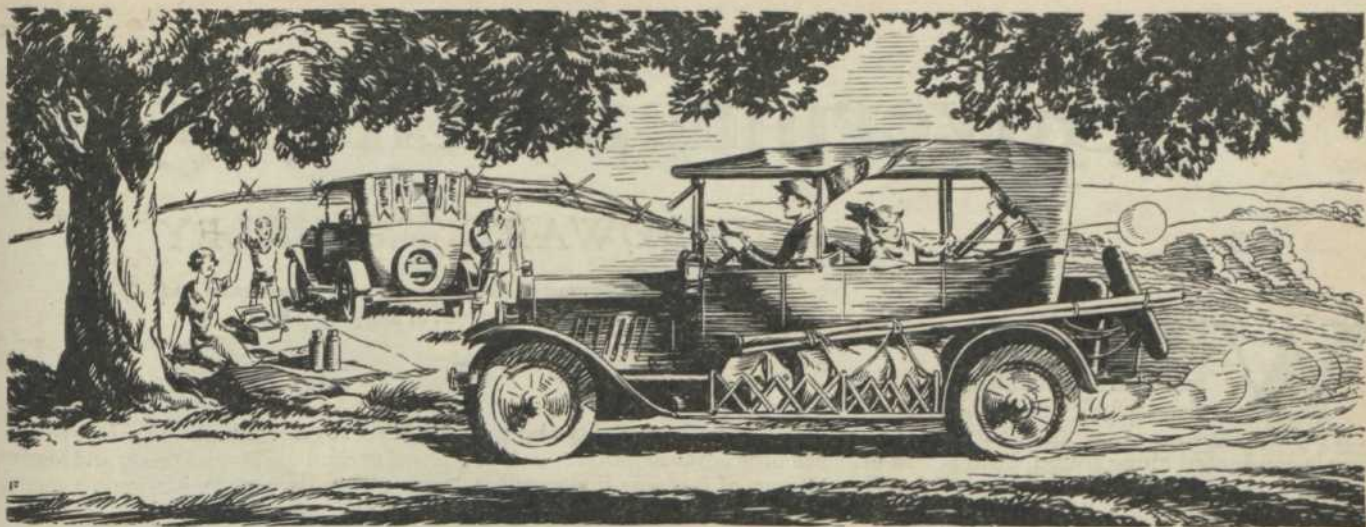
The story told by Daniel Willard, president of the Baltimore and Ohio Railroad, is similar. Willard frankly confessed that prior to the war he had not sensed any obligation to study the problem of keeping the employees of the Baltimore and Ohio in regular employment.

"My conscience was just not aroused to it," he said.

But in the post-war period, Willard realized that there was a duty placed upon him and his company to stabilize, so far as possible, the employment for his workers, because of the advantages of machine production.

"If society is going to have the advantage of machine production, then society has an obligation to try to keep men employed regularly," he said.

So the Baltimore and Ohio Railroad, under Willard's leadership, tackled the problem. The result has been a tremendous reduction in the turnover of employees each year. And, as Willard showed, the result has been a better morale, more efficient labor, and greater economies. The large expenditure for the training of men has been reduced and the money has been saved.



We came to recognize the necessity of providing workmen with more leisure, both for recreation and to give them time to consume the fruits of their increased production

James T. Loree, vice president of the Delaware and Hudson Company; Sam A. Lewisohn of the Miami Copper Company and other industries; J. M. Larkin, assistant to the president of the Bethlehem Steel Company; A. C. Bennett of the Packard Motor Car Company, and a number of others tell a story similar to that told by Draper and Willard.

Lewisohn estimates, for example, that if seasonal unemployment can be eliminated, as he insists it can, American business will be saved two billion dollars a year.

William Powers Hapgood, president of the Columbia Conserve Company of Indianapolis, told the committee of the most novel experiment and experience. His company, he stated, had had a hazardous financial history prior to 1917. The company packs food products and therefore is most highly seasonal. Also it faces what is probably one of the most strongly entrenched competitors confronting any business.

High Pay Roll Helped

HAPGOOD said he decided to stress the "highest possible pay roll" instead of the lowest. Practically the entire force of laborers was put on a salary basis, with a regular wage guaranteed each week. In dull periods of the year, improvements in the plant were made and a rather lengthy vacation was given all employees during the time of greatest idleness.

Since 1917, Hapgood said, the company had shown a constantly improved financial condition. Only in the extreme depression of 1921, the most severe depression ever experienced by the canning business, did his company lose money and the losses of that year were more than made up in the year 1922.

Better morale, more experienced workmen, greater production and lowered costs—the same story told by others—was the result of the experiment, according to Hapgood. When asked if some employees would not take advantage of such rules, he said that, on the contrary, he had to employ a physician to order men

and women home when they were ill. This despite the certainty that they were going to be paid just as much as if they had worked.

Another interesting and highly successful experiment is that of the Dennison Manufacturing Company of Framingham, Mass., Henry S. Dennison, president of the company, showed how his concern had stabilized employment through adherence to a budget system, through manufacturing for future demand, through manufacturing products of a diverse nature and through withholding expenditures in time of prosperity and throwing all these reserved funds into action in times of threatened depression.

Dennison said his company has set aside each year a sum of \$75,000 to insure an income for its workers. The company only guarantees to pay wages in times of unemployment to the extent of this total of \$75,000. When idle from any cause, even that of transferring from one department to another, or when income is reduced by transfer from one higher-paid job to a lower-paid one, the Dennison Company workers are assured protection from this fund.

But what was the result? Despite the reserve of \$75,000 a year, the company has not expended \$75,000 for all the years since the creation of the fund.

The fund, according to Dennison, has become a penalty on idleness. The various departmental executives have struggled to prevent the slightest unemployment which would tap the reserve fund. Inevitably the company has benefitted.

Everyone should recognize that there are many difficulties in the way of complete solution of this problem. Mass production and the great use of machines have brought about some highly troublesome questions.

It was testified before our committee, for example, that the development of the "talkies" had brought about the discharge of thousands of musicians in theaters.

But this constitutes a no more serious problem than did the question of seasonal unemployment in the old days. I

remember when conditions in the motor industry caused us, at the first snow flurry in the Fall, to go down through the plants and lay off from 20,000 to 30,000 men at a time. Naturally it pained us to do this and as a result we set to work to solve that problem.

Built Cars for Winter

LARGELY as a result of that situation the motor car industry developed the closed car. I do not say the development of the closed car resulted entirely from the desire to prevent unemployment but that desire had a large part in the accomplishment.

The problem of the motor-car industry was one peculiar to that industry and it was solved in its own way. Other industries have their peculiar problems but they also can be solved. The manner of solution will differ according to the industries.

As an aid to industry, as a whole, in its attack on the unemployment problem the Jones Bill is now before the Senate. This bill would create a "prosperity reserve fund" to be used in time of depression and for public works. It cannot be regarded as a complete solution of the problem but it will help. It is particularly interesting because it is reported that President Hoover, is very favorable to the idea.

But after all, the real responsibility for solving the unemployment riddle rests upon industry itself and not upon the Government. All the Government can do effectively is to set an example and furnish encouragement to private enterprise in its efforts to cope with the problem.

If all business men can be made to see that they must work in harmony and that they must put their minds collectively to the task of solving the problem of unemployment, a long stride in the direction of accomplishment will be taken. We need capable executive leadership but what we need most of all is an aroused consciousness of the problem and an aroused conscience to solve it without waiting for the next cycle of depression.

Government—Enemy or

By EDWARD N. HURLEY

*Formerly Chairman of the Federal Trade Commission and
War Chairman of the U. S. Shipping Board*

WE WILL all agree that it's nonsense to say that all business is conducted along sound, ethical lines.

It is equally nonsense to say that no business is conducted along sound, ethical lines. But the moment one starts to lay down a fixed rule defining what is bad and what is good, trouble looms up in a solid mass.

For then one discovers that most cases are not open and shut. They are nearly all in the twilight zone and what is good and what is bad depends on circumstances. The Government is a creature of the law and it must operate by law. If it ventures to regulate business, then it must do so by law—by rule. And no one knows what the rules ought to be.

From time to time estimable and well-meaning men have come rushing in with complete sets of rules for business. Some of these have been made into laws. But the public has, in the light of its experience, rejected nearly all these rules and laws.

The politicians have now learned that it does not pay to run on platforms which simply attack business. Some of them had been getting the stuff from the Socialists under the impression that it would draw votes. The Socialist candidate in the November election polled 300,000 votes; only an accountant can figure out the percentage to the total vote cast. But without bothering to do much calculating, those legislators who formerly prided themselves on their radicalism, but who now are looking forward to the next election, have bundled up their radical principles and shipped them back to the Socialists. The election of Herbert Hoover disposed of blind antagonism to business.

The danger now is that the pendulum may swing too far the other way.

Once upon a time mere size was taken as conclusive evidence of wrong-doing. If a company was big, it had to be bad. If, in addition to being big, it made big profits, then it was awful. But the public has rejected both those views. If a corporation grows big, the public hastens to buy stock in it; if it makes high profits, then the public buys more stock.

The public is no longer afraid of monopoly because it has seen many great corporations use their power to raise wages and lower prices. It views profits

as an evidence of business ability and not as evidence of general iniquity.

The able men of business, and they are in the great majority, bother only about monopoly that is based on the highest service, for they know that is the one kind that pays. They know that gaining a monopoly control and then using it to raise prices and lower wages is really a step toward bankruptcy—and a long step at that.

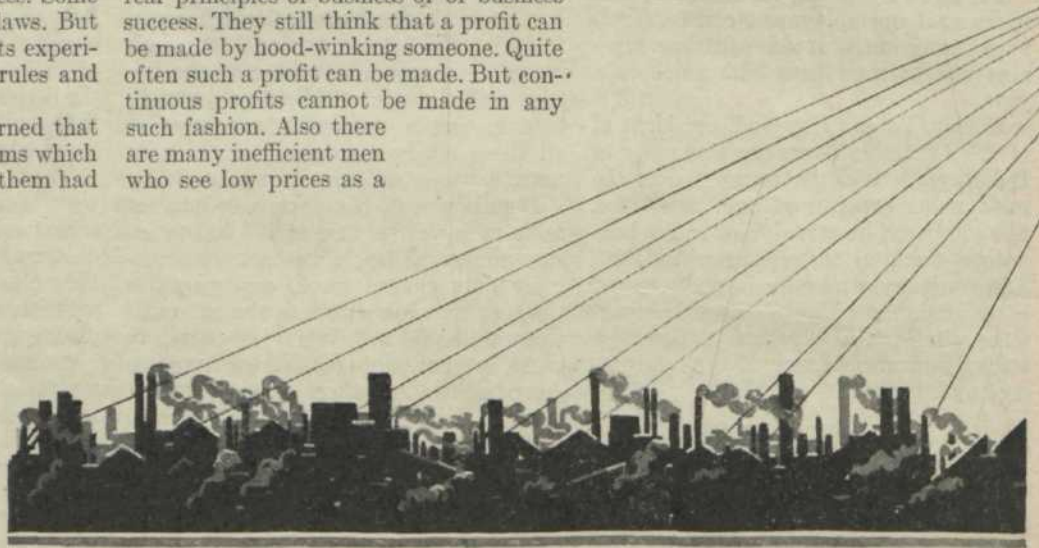
It is these progressive industrial leaders who have given the public a great confidence in business. The Government always follows the public.

A small minority of men in business, however, know almost nothing about the real principles of business or of business success. They still think that a profit can be made by hood-winking someone. Quite often such a profit can be made. But continuous profits cannot be made in any such fashion. Also there are many inefficient men who see low prices as a

will destroy confidence. If men are allowed to combine to raise prices and lower wages, then they at once become a menace to business in general.

We are often told about the virtues of the laws abroad, in not preventing business combinations, but when I look at business abroad and then look at business here I am convinced that we have not suffered a great deal from our laws. Many of our ill-conceived laws are not enforced anyway.

The Sherman Law was not ill-conceived, but at times its execution has not been well conceived. In my opinion we need either it or some



THE Government cannot cooperate with business unless business chooses to cooperate with the Government. There cannot be

menace and devote their energies to effecting combinations to raise prices instead of giving themselves over to the task of making low prices pay through better methods of production and selling.

A Menace to All Business

SOME of the once-around men, having noted that the public will buy the securities of large, well managed enterprises, are promoting large combinations which will give the appearance of prosperity long enough to get rid of the securities.

If their operations are not checked, they will crash and hurt all business for they

other law that can be used to prevent ignorant men from wrecking business, and I should prefer leaving the present law and exercising care in its execution rather than going through the several years of unrest which would be caused by the attempt to find a substitute. For no one knows what the substitute ought to be.

There is no longer any real antagonism between Government and business. President Coolidge and Secretary Hoover removed anything approaching real antagonism, and now Hoover as President will undoubtedly continue to be liberal and fair. There is already a considerable

Ally of Business?

Decorations by
Louis Fancher



an impersonal cooperation. But with the giving of personal and intimate cooperation anything which is right can be accomplished

cooperation. A tremendous change has come about since the Federal Trade Commission was organized in 1914. Then the Government and business were bitterly antagonistic.

The Sherman Law was being enforced according to its very letter and regardless of economic consequences.

In fact, no one knew or cared anything about economic consequences. All business was in the grip of the lawyers. The Government acted as though every man in business was a potential criminal who ought to be caught before he had a chance to do any harm. It made no dis-

inction at all between persecution and prosecution.

With this attitude on both sides, the smallest difference of opinion immediately became a case for the courts, whereas usually the difference could have been settled in 10 minutes of frank talk.

When we on the Federal Trade Commission adopted the policy of encouraging competitors to form trade associations to improve their cost accounting methods, to standardize their products, and otherwise eliminate gross and expensive waste, most of the men who responded to our invitations brought their law-

yers along and eyed us with deep suspicion. For a long time it was difficult to get anywhere.

We did eventually accomplish considerable and we also ran up against some very remarkable cases while investigating unfair competition.

Most of the complaints of unfair competition were filed with us by disgruntled men who wanted to get even with their competitors. At least 90 per cent of these complaints were founded in spite and not in fact. The complainants thought they could use a government agency as a method of unfairly competing. It usually appeared that they and not the respondents wanted to compete unfairly!

We Avoided Hasty Action

WE were very careful about these complaints and our investigation was thorough. We refused to be used to promote private interests and we recognized the seriousness of a government commission's taking hasty action which might subject the respondent to an utterly groundless prosecution jeopardizing his position, his reputation and his good name.

It must be recognized that one of the time-honored methods by which a lawyer can get into the limelight and put himself in line for political promotion is to conduct an investigation that will reach the front pages of the newspapers. A constructive investigation cannot often be made sensational enough to be good news, but it is easy to conduct any kind of an ex-parte investigation in a fashion that will make sensational reading. It is only human nature to seize such an opportunity and hence it is rather easy for government departments to lend themselves to the promotion of private interests by the investigation route. This most particularly applies to the Federal Trade Commission.

Today the Commission is an important factor in national affairs and will continue to be of service to business and the public. The Commission has changed a number of its rules regarding publicity to make them more equitable to the party complained against. The Commissioners are also endeavoring to arbitrate and adjust minor infractions in a liberal manner. The holding of "Trade Practice Conferences" is a step forward in the interest of American business.

The views of our Government have been broadened in connection with all laws per-

taining to business. I believe this liberalized vision applies to the former and present members of the Federal Trade Commission as well as to the courts. The new interpretation of these laws by the courts has been constructive and helpful.

With the pervading friendly spirit of cooperation between government and business, it is the hope of business that the Trade Commission in investigating particular abuses will not continue to exercise the power of government to allow investigators to seize the unrelated private as well as the official files of business executives.

A Principle Meriting Respect

THE Federal Trade Commission was organized to prevent unfair practices. If its present method of obtaining information by search and seizure were submitted to a jury in the court of public opinion, that liberal-minded tribunal might prove the Commission guilty of the very acts it was created to prevent. There is an important principle involved here relating to the abuse of government power that no public agency should ignore.

Government investigators who acquire confidential information are not infallible; and the element of human frailty enters into government as well as business. Serious mistakes and injustices sometimes are committed, when overzealous government employees misuse information obtained by search and seizure.

While I was chairman of the Commission, in 1916, we had a case where in an investigator committed a breach of faith that was most embarrassing to us.

A group of independent oil companies had filed a complaint of unfair competition against the Standard Oil Company of Indiana, claiming that the Standard Company was selling gasoline below cost, to drive independent companies out of business.

We made a careful investigation. As a last resort, we asked the Standard Company to produce carbon copies of its order slips to each customer, with the name and the price charged. The Company promptly complied. Shortly afterward, we were astounded to learn that our chief investigator had given these slips containing this private information to officials of the independent oil companies, thereby violating government regulations in revealing confidential data which it was his sworn duty to keep secret.

Vicious acts of this kind, and many errors, doubtless will continue to occur in government. After 13 years' experience in investigating complaints, however, the Trade Commission should appreciate that the search and seizure method of obtaining information is unfair, un-American

and smacks of Russianism. Just as it is unfair for the Trade Commission or any other branch of the Government to conduct other than an impartial investigation, so it is unfair to use the Government for the promotion of any particular theory of business management.

If, for instance, Congress should decide that it wanted all the facts on the efficiency of government as contrasted with private ownership of public utilities and asked the Trade Commission to find the facts, then it would be the duty of that body to find the facts as they are, and not to devote the investigation to hearing only such evidence as tends to support some theory.

Such an investigation is an unfair use of the power of government and of the taxpayers' money. It would be far better to have all investigations held privately and let the publication of the evidence await the final report.

However, there are two sides to all this. If business men refuse to take time to discover what the Government is about, they ought to be prepared to take what they get. If they think they can spare themselves trouble by hiring someone to represent them, then they must be pre-

though well intentioned, was not entirely practical.

But at that time the general opinion was that it would be enforced and that it would drive American merchantmen off the seas. I have no intention of going into the merits or demerits of the Act itself. I was asked by one of our most prominent and thoughtful citizens to address a large body of business men, taking up the Act, explaining it and, in a way, opening up a discussion.

I replied that I had been so short a time on the Board that I had had no opportunity even to read the bill, much less to make a criticism of it that would be worth anything. The gentleman who had invited me to speak then made a counter proposal. He said the associations he represented were willing to spend \$30,000, or indeed any sum that might be required, to have a careful survey made of how the Act might work in practice. The investigators would get views from both sides and see for themselves, and make a report covering the whole subject. The report would be sent to the members, some days before I spoke, and thus we should have the chance thoroughly to thresh out the bill with the facts in hand.

The plan was a good one. I thought it very public spirited for these men to spend their own money to get impartial information, but also I knew what business men do with reports. I was more eager that the facts should be in the heads of the business men than in their hands in the shape of a report. I did not want to take the time necessary to prepare a careful and rather technical address unless I had a reasonable assurance that those who attended would know what I was talking about, at least to the extent of having read their committee report.

Therefore I suggested that in sending out the report and the invitations for the dinner a note should be added that the presiding officer would, when the time for speaking came, call the roll of the members present to discover who had read the committee report.

A Dinner That Wasn't Held

THAT was the end of the matter. The chairman knew that, while he and a few of his friends would read the report carefully, the bulk of the membership of the associations would not.

If we tried the plan of making a roll call, either the members would stay away and the dinner would be a failure, or else they would come and make a joke out of the roll call.

Take another case. Some years ago the Illinois Manufacturers' Association, of which the late John M. Glenn was secretary for more than 25 years, was trying

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"THOSE legislators who once took pride in their radicalism, but who now are looking forward to the next election, have bundled up their radical principles and shipped them back to the Socialists. The election of Hoover disposed of blind antagonism to business"

pared to take the consequences of the mistakes of their hired men. And my experience is that the majority of men in business pay no attention whatever to what the Government is doing until after it is done. Then they are ready to howl.

When I first went on the Shipping Board, the La Follette Act—a measure regulating the size, manner of payment, and treatment of merchant ships' crews—was receiving a good deal of attention throughout the country. The measure, al-



Skyscraper—Gold Mine or Tomb?

By COL. W. A. STARRETT

Vice President, Starrett Brothers, Builders, New York



ALTHOUGH every large city in this country provides the evidence that higher and bigger buildings are going up on main streets and side streets, it is a stubborn and expensive fact that the utilization of urban sites has not been reduced to a dependable formula. The question of what to build and how high to build it is not one to be settled by rule-of-thumb methods if the owner expects a satisfactory return on his investment.

The new determining height factor is primarily economic, although a certain tenancy prestige is an added attraction. However, the assembling of large areas is accelerating the desire for great height. The tendency is to cover whole city blocks, or at least the major portion of a block, and with such great area available, excessive height can be made to pay. The set-back requirements govern the form, and the imposing towers, rising in architectural majesty from the center of the pile, are at once the cause of our distinctively American architecture and the ef-

fect of our wise legislation.

Height is limited by elevators, corridors, stairways and sanitary facilities. Particularly do elevators, limit height. Though they are grouped for different express destinations, and as the building grows in height and diminishes in area the lower-rise elevators drop out, the accumulation of this nonrevenue area on the lower floors, now becomes so great as to defeat the economies of mere height.

The Chicago Tower will have 66 passenger and 28 freight elevators with varying express destinations.



The development of the skyscraper owes a great deal to the architectural and engineering genius of A. W. Starrett and his two brothers

FAIRCHILD
The gigantic new structure on the Waldorf-Astoria site in New York will require 51 passenger and nine freight elevators, while the projected 108-story Larkin Building there will require 50 elevators, but in all of these there is still ample revenue floor area.

A good part of our earlier building proceeded as a matter of trial and error—a course predicated, I suppose, on an unreasoning confidence that any improvement of a site would somehow pay the owner. We all know of structures dubbed

so-and-so's folly. The most casual observation will reveal reason enough for revising the proverb to read, "Build without advice and repent at leisure."

Many Reasons for Failures

IN THE first place, wrong types have sometimes been chosen for developments which failed to produce suitable returns, where a wiser selection would have insured profitable investment; or, indeed, no development at all would have been the wise decision. Again, ignorance on the part of owner and architect, aggravated perhaps by incompetence of the builder, has cast up some ugly results that stand year after year proclaiming both their architectural and financial incompetence.

Seldom has the banker and statistician been taken behind the scenes in such failures. All they know is that the money has gone and that the results are disappointing. The builder is generally blamed and the building industry censured because of the uncertainty of its estimates. Few persons realize that these uncertainties arise largely out of the indecision and lack of understanding of the owner and the optimistic incompetence of the architect, which, together, are almost certain to eventuate in a business deal with the inexperienced and incompetent builder who will promise anything to get a job.

Certainly the problems raised by the mere decision to build invite more than rhetorical notice. Immediately the owner of the site must come to a definite conclusion about the type and size of the structure that is to be erected. Is it to be a hotel, a department store, an apartment house, a loft structure or an office building?

Some sites suggest several possibilities, a department store, a hotel, or an office building.

Residential and apartment buildings are generally found to thrive best in locations that would ill suit more intensive commercial development; yet in their own sphere, in any large city, apartments command high consideration and are likely to be about as lucrative as the commercial type.

It is the recognition of this fact that has given rise to the zoning laws in many of our cities. Business and residences do not readily mix, and where there is an injudicious intersprinkling of one with the other, a deterioration of the neighborhood is likely to set in. The type, then, is largely settled by economic consideration—analysis by a conference of experts. In such a conference, the owner is likely to be the greatest "expert" of them all, yet his con-

freres will render him invaluable service if they are allowed to function.

Few, if any, owners have the breadth of experience necessary to the making of intelligent decisions on all the questions involved. The optimistic owner "just knows" that things he wants to be true must be true. Such a frame of mind takes the prospective owner afield in quest of the "builder" who will agree with him. Unfortunately, the word "builder" has about the same wide application that the word "captain" has on the water. The master of a put-put boat that takes out fishing parties has the same title as the master of an ocean liner; both bear the title of "captain."

In his professional capacity, the capable builder—which implies a capable building

organization that has teamed together under the direction of experienced executives—is invaluable to the owner who contemplates building. He is one of a trilogy with the owner and architect, whose advice on costs, methods of construction, markets and availability of material is indispensable.

In such conferences should be a fourth person, the real estate and renting expert, himself well organized and having intimate contact with renting conditions and building management, and having a knowledge not only of values but of the trend of intensive development.

The owner may have started out with a pretty clear conception of what he wants. If a hotel is considered there is generally a responsible tenant ready to take the

completed structure. Here the real estate expert may not be needed, but even so an analysis of the hotel situation is advisable, for if such a hotel in such a location cannot be made to pay, even the strongest tenant may eventually go to the wall.

Similarly, a department store project may well be submitted to analysis before it is too late. If the owner contemplates an apartment development, the real estate expert becomes more important, while loft building and office space demand the most experienced organization to analyze the problem of finding tenants for the structure which is under contemplation.

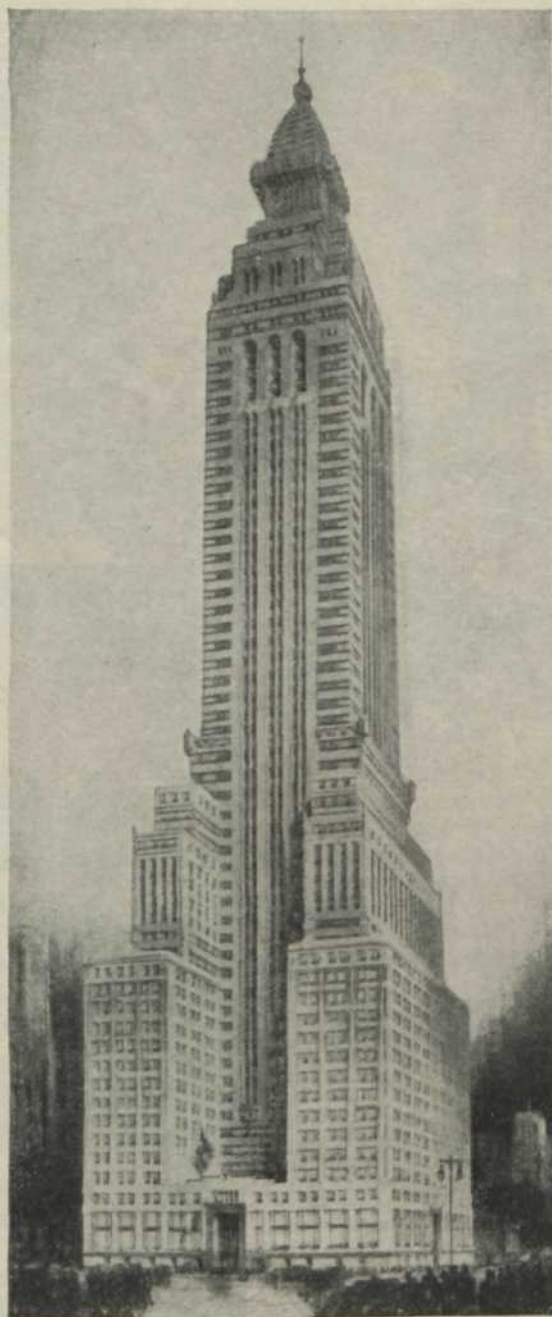
Banker Has Good Advice

THE investment banker is awake to this situation and has a fund of valuable, statistical information bearing upon the project under consideration. He brings to such conferences much helpful advice, and in this manner encourages meritorious operations by the breadth of his vision, a paradoxical contrast to the attitude generally held by the lenders on real estate of earlier days.

In the past few years, the investment banker has forced his way into public attention by the compelling attraction of his building issues. Institutions whose archaic prerogatives were thereby invaded set up a hue and cry at the temerity of these bold adventurers who dared to declare the heresy that metropolitan real estate is actually worth what it can be made to earn.

The enormous growth of our great metropolitan centers and the consequent increase in values on such a prodigious scale have come so swiftly that we have had very little time to appraise the effect in all of its aspects, and while the profes-

(Continued on page 158)



WILLIAM VAN ALER, ARCHITECT, N. Y.

The Chrysler Building will be New York's tallest skyscraper, rising 808 feet and containing 67 stories. The new giant is now under construction at Forty-second Street and Lexington Avenue

"There ought to be a law about the consumer cramping production. There is—the law of obsolescence"



They're After the Consumer Again

By JAMES H. COLLINS

Cartoons by Charles Dunn

OBSOLESCENCE! What a word! In business it is the very latest. We must all learn to spell it. It is a nice long word which is going to mean different things to different business men.

This is the salesman's retort to a world that had begun to declare him obsolescent in a buyer's market. In a purely detached way, and with the backing of a government survey, the hard-boiled buyer is told that he is out of date. His office looks antiquated, he needs a new suit and a new car, his ideas have whiskers, and when Uncle Sam gets through with his company's equipment half of it will be earmarked for the scrap heap.

Obsolescence is a pippin of a word and while it is new all sorts of merits will be claimed for it. Already, confident protagonists predict that it will be disgraceful to own heirlooms or buy old rugs or antique furniture, just as it was unpatriotic to dodge your quota of Liberty Bonds. They even advocate an Obsolescence Week.

Obsolescence is starting out as a regular me and mine proposition. For example, I own a factory and make rayon socks or heat exchangers. My factory capacity permits of making twice as much as I now sell. If I could use its full facilities I would astonish the nation

with the volume of stuff I turned out, and at prices—you wouldn't believe it!

But something is holding me back, somebody cramps my production. And it's no one but the plain, garden variety consumer. He wears his socks until they are full of holes. He has something that he fondly calls a heat exchanger, but it is ten years old, and home-made, and was haywire when he soldered it together. There ought to be a law about him. By heck, there is a law! We turn to economics and cite him for appearance under the law of *obsolescence*. He'll either come through with his signature on the dotted line or be pinched!

Some of the suggestions you read are a little wild. Taking what Uncle Sam is doing, fertile imaginations let themselves go without watching the speedometer.

Leaving Consumer Goods Alone

UNCLE SAM has both feet on the ground, however. His survey through the Department of Commerce is confined strictly to industrial equipment and has nothing to do with consumer goods. It is suspected that our factories, utilities and so forth have a lot of apparatus which has passed its day of profitable production and should be replaced by up-to-date equipment. Manufacturers of industrial apparatus sell a lot of it every year.

I see "sales to industry estimated at 35 billion dollars annually"—billions! Of course, that isn't all apparatus, and the figure looks optimistic to me. Yet the equipment bill runs into billions, and if the market can be broadened and sales resistance lowered through persuading plant purchasers to use the scrap pile more freely, that would be a grand thing for the industrial apparatus market.

This was the way the industrial equipment manufacturers reasoned. They went to Uncle Sam, and asked for a government inquiry into the efficiency of equipment in key industries. The Department of Commerce is starting with a study of knitting machinery in Philadelphia, where a compact center gives facility for gathering facts. If the facts are in line with expectations, then American industry will get this obsolescence suggestion officially from the Government. And that will be nice. But here is a paradox:

Industry complains of overproduction. Equipment manufacturers say that the trouble is not so much overproduction as it is high costs, the result of obsolete equipment. Better equipment to make more goods is offered as a remedy.

If the equipment is sold and productive capacity increased, who is going to buy all the goods? A question! Now, along comes

the salesman and proposes consumer obsolescence, which is quite outside the original idea.

What do you think about the consumer cheerfully throwing away his shirt as soon as he gets tired of the pictures on it, and buying a new car every time Detroit designs a new flair for fenders?

There are a good many consumers who feel that things fall to pieces too quickly as they are. Some of these days, sure as shooting, we will find the public responsive to the durability idea.

Suppose we set up a test. Let us use the salesman who advocates consumer obsolescence. He has spent a hard day, going around and urging customers to throw away purple pie plates and purchase pink ones. We have his wife meet him with bad news.

The Sure Test

"DEAR, my car needs new tires all around," she announces. "The man at the garage says it is positively dangerous to run on those I have. And the children need new shoes. And I'd like to have some money for a new fur coat."

If he takes this cheerfully, and says nothing about it being only three weeks since he bought tires and shoes all around, then consumer obsolescence is probably a sound selling argument.

But there is a real difference between telling the other fellow that his tires are obsolescent and hearing about your own. This is a severe test—what engineers call a test to destruction. Between industrial and consumer obsolescence there is a very important distinction. One is financed out of capital account, while the other must be squeezed out of the little old income.

If the manufacturer finds that his costs can be reduced by new equipment, the purchase is charged to investment in plant. He doesn't pay for it out of operating expense.

If obsolescence has gone so far that a general rehabilitation of plant is necessary, there will probably be a reorganization with new capital to bring the business up to date.

Equipment manufacturers hold that industry is underequipped. Larger capital investment in labor-saving machinery would, in many plants, cut down the regular expense of outlay in wages.

Picture a factory with \$150,000 worth of equipment and paying \$110,000 a year wages. This is about the ratio for all our factories. By doubling the investment in equipment, it may be possible to reduce the payroll one-third—say \$30,000 a year. Interest and depreciation on \$150,000 worth of new equipment would come to say \$20,000 a year. There is a saving of \$10,000, with a possible reduction of

liability of labor troubles, and probably a reduction in manufacturing costs, or an improvement in quality which will give advantages in selling.

Larger investment of capital in equipment is as striking a sales possibility as obsolescence, and when the idea is applied to a given plant, often discloses startling possibilities for making dollars work. Moreover, the factory with up-to-date equipment, and not a loophole for the obsolescence argument, will often be found a good prospective customer for

forward-looking citizens that the obsolescence salesman would love at first sight. They must have the latest in every line for their business, their homes, their wardrobes, their cars. All you need do is show them the new thing and if it is good they adopt it. These are the Joneses that people watch and copy.

So Howse quietly sold the new lights to a corporal's guard in each of a dozen key towns up and down the Pacific Coast, and in a few weeks his plant was swamped with orders. But this was a business proposition, not a consumer purchase. And in any community there are only a few of those forward-looking folk.

It is part of the argument for consumer obsolescence, as a sales and advertising possibility, that the country has a large number of people who do not know what to do with their money. However, income tax returns indicate an average of between \$3,000 and \$4,000 net income for seven million taxpayers, and this is the public, not the few hundred thousand people who pay in the higher brackets.

Certainly, New York City should have the disposition and the dough for consumer obsolescence if any American community has. Yet as canny a pricing expert as Walter Hoving of Macy's tells us that goods for sale to New Yorkers, if priced scientifically, should be of three definite grades, at three—no more—strongly contrasted prices, for three distinct income groups that are New York.

These incomes he places at \$1,750, \$3,750 and \$9,700 per family. The latter group represents only 6 per cent of the population, and makes 18 per cent of the total purchases. The \$3,750 group is 61 per cent, and buys 66 per cent of the merchandise, rent and so on. It would take a hardy salesman to talk obsolescence to the seventy-five-dollar-a-week family in New York.

What of the Fifth Avenue trade, the money thrown around the night clubs, the reckless spending that gives the town its far-flung reputation? They are not even enumerated in this scheme of pricing, probably because there are so few buyers in this group when counted against the seventy-five-dollar people. Anyway, few of them live in New York. And when they are home they don't spend that way!

The salesman admits that somebody will have to finance consumer obsolescence. He points to the rich people in the country and also to the steadily rising income of the working man. Neither the rich man nor the working man has ever been a spendthrift. The rich man usually insists on getting value for his money—that's why he is rich. And the working man needs too many other things to waste



What do you think about the consumer throwing away his shirt as soon as he tires of the picture on it?

more up-to-date equipment on that basis.

But consumer obsolescence strikes in a different place, with a dull sickening thud. It cannot be financed with a new bond issue. It means that so many good hard-earned simoleons must be taken from this month's salary check or from savings. And there are always so many other things we would rather buy with that money.

A Subject that Merits Study

WHEREFORE, an advertising or sales campaign based on the belief that the consumer ought to use things up faster and throw them away sooner requires considerable advance study. Maybe he won't do it. Very likely he can't afford it. Then we are sunk.

My friend, Paul Howse, carried out a nifty obsolescence campaign two years ago, before this new word was even heard of.

Howse is president of a company that acquired the Claude neon patent rights for the Pacific Coast. In planning his sales campaign for the new lights, Howse reasoned that in every community there are a few people who adopt new things as soon as they see them. These are the

his money on anything that is built merely to sell.

Another point worth thinking about in connection with consumer obsolescence is that several great industries have already been shot to pieces by this idea, and several otherwise sound industries are trifling with it in the expectation that their sales will be increased. In the textile and garment industries it is called *style*, and has brought evils too well known to need recounting. In other lines it is taking the form of color and freak design, interesting enough to play with, but, as the Two Black Crows would say, you can't make any money out of lavender coffee pots or skyscraper furniture on a production basis.

Fields Where the Idea Works

BUT cheer up! Having set forth about all the reasons against this consumer form of obsolescence, let us see how it is being used to sell more merchandise, and survey lines along which it might be extended.

The salesman advocates throwing away big, expensive things like motor cars and radio sets. But the majority of advertised commodities are said to run below a dollar. Most of the articles made by the 150 leading magazine advertisers sell below a dollar. After the big motor appropriations and a few radio and home-building accounts are subtracted, the rest is an almost even story of soap, tooth paste, breakfast food and sundries.

The obsolescence idea was applied to books a year or two ago with marked success. In the very nature of things, books pass out of style, and should be replaced with newer books. But it was hard to bring Americans to see this, though they are tireless readers of periodicals. The periodical idea was tried with books, in the book-of-the-month-club plan, by which subscribers pay for a year's service in advance. After apprehension and opposition in book-selling circles, the idea proved so good that the book-sellers themselves are now adopting it.

The obsolescence idea has been applied in another field where selling runs up a blind alley, lubricating oil and grease for motor cars. If you judge by the number of service stations you pass on the shortest motor trip, it would seem as though the demand for gasoline and lubricants was enormous and flexible. Not so. The twenty-odd million cars and trucks in this country consume just about so much every day, regardless of whether the price is a few cents more or less—about 600 gallons of gasoline per car yearly, and fifteen gallons of oil.

But there is a margin for expansion on lubricants. Thousands of automobiles run around with mere mud in the rear-axle housing, and oil is changed hardly once in three thousand miles. Cars are not lubricated as often as they should be to insure smooth running and moderate repair bills.

A Los Angeles man, D. R. McBryde, has applied the book-of-the-month principle to this field, with much success. He

spends a considerable advertising appropriation, and has a growing chain of lubricating stations. He sells a year's service, charging \$36 for labor and so much extra for lubricants. The motorist brings in his car every 500 miles. The crank case is drained, flushed and filled, the differential and transmission cleaned and filled, all bearings, ball races, knuckles, springs and other parts lubricated, the car tightened all around and a report made on defective parts.

After 500 miles there is a light lubrication and another tightening. At 1,000 miles another complete job. And so it goes through the year on a basis of 24 overhauls in the year of 12,000 miles travel.

As McBryde finds that a little more oil rather than a little less is good for a car, his service increases the yearly average used in the crank case, and this is true of other lubricants. The oil companies make a profit on lubricants, and as the motorist saves on repair bills, everybody is pleased all around.

The motor salesman could probably sell more new cars each year if the deals were put on the book-of-the-month basis. You will search through many beautiful motor advertisements to find any reason other than style for turning in last year's model for next year's. But suppose motor advertising reasoned with the car owner in this way:

"Your car cost you \$1,000 a year ago. You have run it 12,000 miles. It has depreciated at least \$400 in trading value. You will soon need new tires, an overhauling and a new painting job, costing you from \$100 to \$200. Then you can

run another year, and have a car worth maybe \$200 in trade.

"Your depreciation has just about been covered in your mileage—figured at three cents a mile, \$360. Instead of spending \$150 to \$200 to run the old bus another year, and have it look the part, why not spend \$400 to \$500 for another 12,000 to 15,000 mileage in a car that is right up to date, and backed by a guaranty, and is free from the trouble liability that goes with an old car?"

A Tip to Motor Car Makers

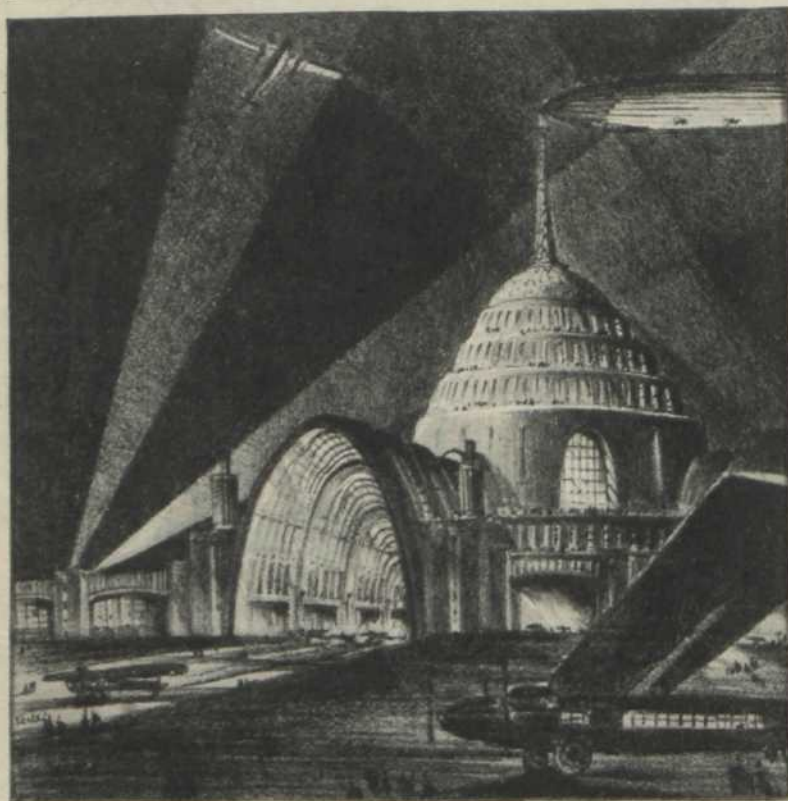
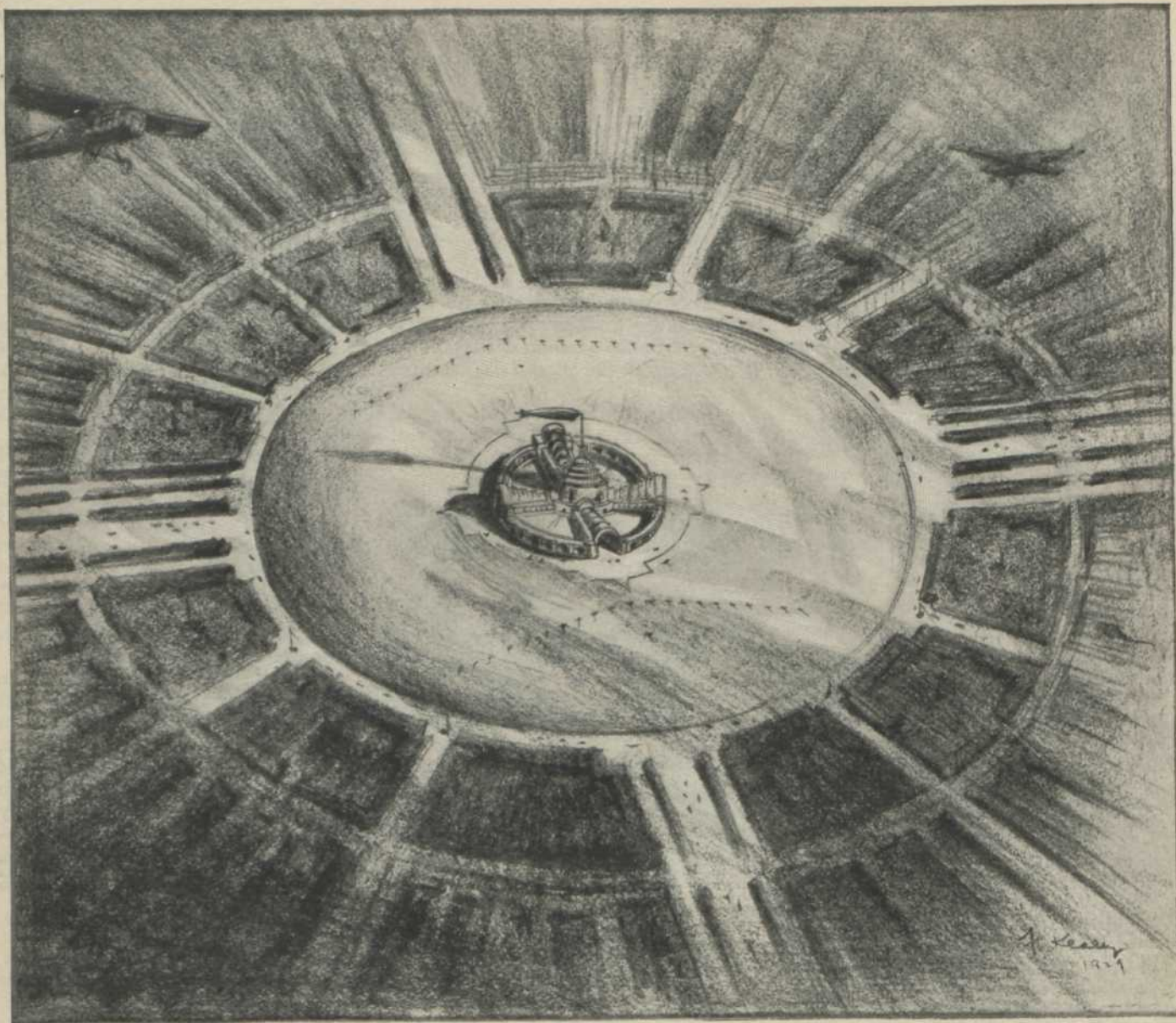
THIS is the way people discuss cars with one another, reasoning from their personal experience. The motor industry can give them broad averages, and supply the figures to folk who haven't thought the situation out.

Motor cars seem still to be advertised to a "pleasure" audience, though in actual use they fall in between consumer and industrial obsolescence. For a motor nowadays is as much a piece of business equipment as a personal convenience to the owner. If he is invited to think about it in that way, instead of as a matter of fashion and appearance, he will come in line as an obsolescence customer.

Obsolescence is a big new sales idea. But I doubt whether much headway will be made in urging it upon the public in the form of change for change's sake. For most of us, there is a problem of getting more out of life on an inflexible income. If the salesman will help us, by figuring more value for our money, obsolescence can be made to mean something. Otherwise, it will be just another passing business slogan.



The consumer obsolescence idea may take the form of freak design—but there's no money in skyscraper furniture on a production basis



This is Francis Keally's conception of tomorrow's airport. A dome-shaped hotel dominates the circular field from which 44 planes can take off and land simultaneously. The surrounding city will be built like a giant Yale bowl, with buildings near the port lower than those farther away. (Left) A night view of the great terminal which, rising 850 feet above a plateau 1,500 feet in diameter, will house swimming pools, cafes, dance halls, in addition to all facilities for travel



Interior view of the great concourse where passengers will board planes under cover. Planes will be taken to the field by electric tractors, eliminating noise and danger from propeller blades

Tomorrow's Airports

A prophetic view of the Grand Central Station of the air

By FRANCIS KEALLY

Architect, New York

Illustrations by the author

THE future of aviation rests on the ground. It is there the planes must take off and land. It is there the passenger's confidence must be inspired. It is there that foresight today will mean the saving of millions of dollars tomorrow. And it is there that experience and vision must be merged to put aviation on a solid foundation.

We look at the American airport today and what do we see? Too often a mere blot on the landscape, a bigger eyesore than the old railway station used to be.

Most of our airports give vivid illustrations of the same lack of foresight and forethought that attended our first railway terminals and the subways of New York. The original railway stations were hideous makeshifts and, as urban conditions around them improved, they became intolerable.

They were eventually displaced, not only because they were unable to handle the increased traffic that came to them, but because civic pride rebelled at such grotesqueries.

Just recently two of my colleagues wished to return to New York from the Middle West by air. But when they went to an airport to arrange transportation the surroundings and general lack of morale of the personnel turned them against the plan. They concluded that if the planes were no better managed and maintained than the buildings they had better return by train, which they did.

Aside from the practical consideration of gaining the passenger's confidence on

the ground before asking him to go in the air there is also the real matter of millions of dollars. So rapid has been the construction of makeshift airports in this country that there has been little or no time to spend on the location, planning and design of the several buildings necessary to their successful and permanent operation. This situation has been characteristic of every new development in the United States, where we build largely under the compulsion of present necessity.

Should Build Right at First

THE fallacy of this practice may be shown by again citing the experience of the railroads. Foresight in the building of rail terminals would have saved the companies the tremendous sums they have had to spend in recent years in scrapping the old and building anew. An even more pertinent example may be found at Croydon Airport, London, where a \$600,000 investment has been scrapped because the terminal proved inadequate. Now \$1,000,000 in new money is being invested there.

Whoever turns his eyes toward the future must of necessity feel the tremendous influence aviation is to play on the forthcoming era. The airport is the gateway to the modern city. The trouble is that, in the United States, we still consider it the freight station, whereas, in Europe, the airports have the beauty and appointments of passenger terminals.

This distinction is significantly reflected in the comparative position of aviation here and abroad. Our planes carry chiefly

freight and mail. In Europe passenger traffic is the dominant business of the airplane companies.

However, the public in this country is gradually accepting air travel. Every day we are brought closer to complete air-mindedness. Still the pioneer passengers receive little practical encouragement.

Three hundred million dollars has been spent in this country in the past year and a half for airports by more than 1,000 communities, and according to the magazine *Airports*, it is reasonable to suppose \$500,000,000 will be spent in the next year and a half. But passengers still are frequently asked to get out of planes in the open and walk across a field—muddy perhaps. It is unnatural for persons used to limousines and parlor cars to be very happy about this.

Aviation Brings New Conditions

SO, if aviation is to grow as it has a right to grow, it must enlist the services of the architect, the civil engineer and the city planner as it has enlisted the scientist, the navigator and the motors expert. These men must learn to deal with new conditions—to acquire new points of view. The community that springs up around tomorrow's airport must be planned. We may yet see a town which looks like a magnified Yale bowl, with the houses farthest from the airport taller than those closest so that planes may land safely.

Community builders must plan so the eye of civilization, looking down upon the earth, sees order, harmony, beauty. This

will not be so difficult, as architects all through the ages have been planning with the birds-eye view in mind, making their plans fit into a pattern like a Persian rug.

But we have much to learn about airport technique. The Lehigh Portland Cement Company has acted to remedy this deficiency by posting \$10,000 in prize money for a national airport competition open to architects and engineers.

Harvey Wiley Corbett, the architect, is chairman of the jury of awards. Among the committee members are Raymond Hood, who designed the Chicago Tribune Tower; E. P. Goodrich, who has gone to China to build a new capital at Nanking and a seaport at Canton; George B. Ford, city planner and designer of airports; Porter Adams, executive secretary and past president of the National Aeronautical Association; Louis K. Bell, secretary of the Aeronautical Chamber of Commerce, and Maj. John Berry, manager of the Cleveland airport. It is my privilege to serve as adviser in this competition.

Of course we already have a body of knowledge and experience, and our technicians have the imagination to apply it. I feel that our future airports should be parallel in conception with our largest and most important railway terminals. They should be so planned that the peak load on the most important holiday can be handled with ease, comfort and safety.

Air Traffic Will Expand

FROM present indications planes of the future will be mostly tri-motored machines, carrying from 20 to 25 passengers. This means ample room must be provided for landing and taking off.

Airports must be designed with a view to future expansion as well as to present needs. As I visualize the future airport

terminal, say for a city like New York, I can envision a Grand Central Station of air traffic, with hundreds of planes carrying commuters from their homes 100 to 200 miles away. I can see provision made for the safe landing of these planes every few seconds, just as subway trains pull into Times Square every few seconds without incident.

Passengers will be taken directly into the air terminal by plane. From there they will be discharged into automobiles, subways or railroad trains.

The future airport that seems most logical to me at this time is of the beehive type which I have designed in collaboration with Mr. Goodrich and a model of which was exhibited at the New York aviation show.

A dome-shaped hotel 850 feet high—higher than New York's tallest skyscraper—on a plateau 1,500 feet across dominates the circular field, 7,500 feet in diameter. Below the surface of the field tunnels will provide direct access for automobiles, subways and railroad trains.

The landing field will have runways of 3,000 feet, with a two and one-half per cent grade toward the center to slow up incoming planes and give additional speed to machines taking off. On these runways 44 planes can land or take off simultaneously. Regardless of the wind's direction, air traffic can start from and stop at the pivotal group of buildings.

The hotel will be constructed in the outer crust of the dome and will have several hundred rooms, each with bath. Every fifth story will have a terrace from which guests can watch the planes.

On top of the hotel will be a mooring mast for dirigibles and a weather station with a signal tower from which the port's activities will be directed. The two upper

floors of the hotel will house an observation restaurant with a glass top. There will also be a restaurant on the first floor.

In the rotunda will be ticket offices, waiting rooms, and rooms for baggage, mail, customs, public health and immigration services.

Provision will be made for two-story hangars holding several thousand planes. Parking space for automobiles will be provided near the hangars.

Closely Grouped Transportation

THUS in this central plateau will be concentrated all the facilities for connecting high-speed air travel with established travel lanes under the conditions the modern traveler has come to expect.

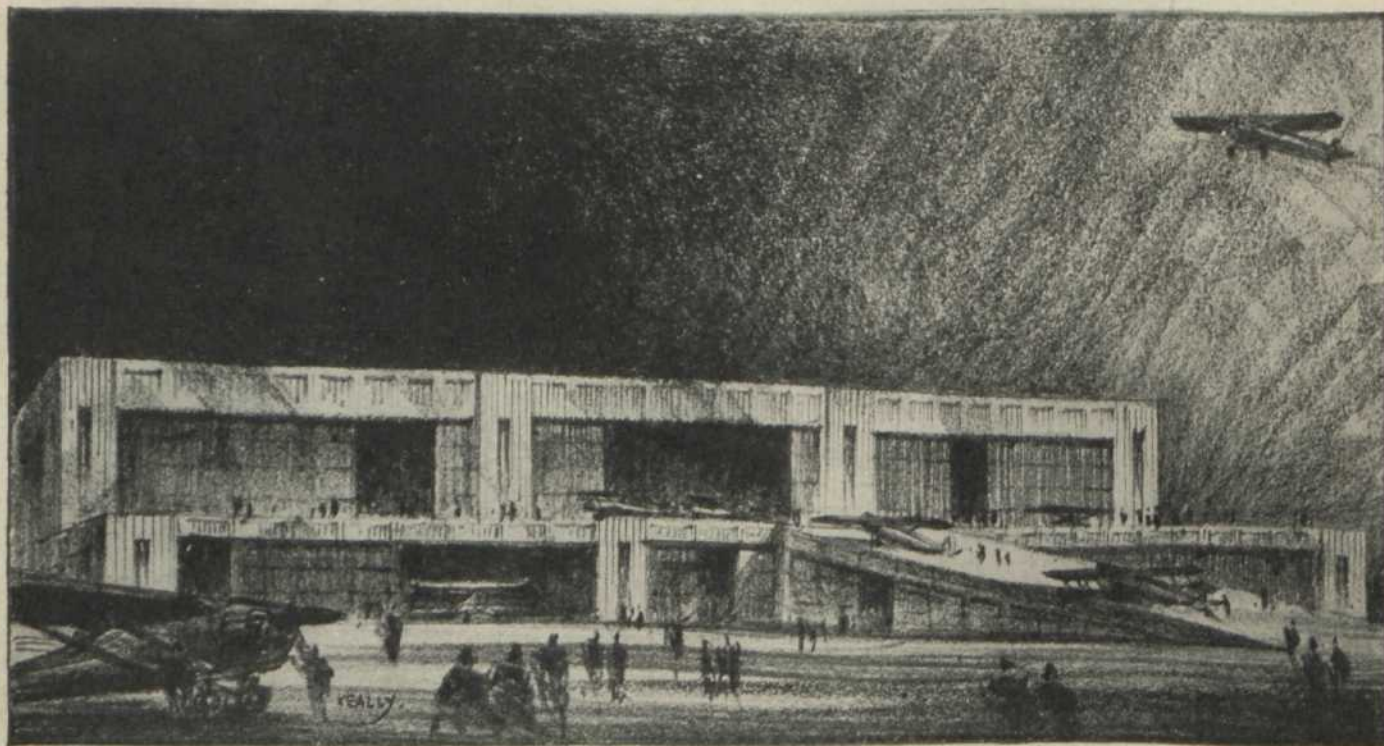
The estimated cost of this airport, exclusive of real estate is \$10,000,000; but it could be built in four sections, one at a time.

Mr. Goodrich has taken to the Orient designs for this airport and it is significant that in developing the transportation system of China he will begin with advanced conceptions of Occidental aviation.

China stands in a fair way, by developing aviation to its utmost, to annihilate the age-old backwardness which has inhibited the growth of civilization in the Orient and to take rank in transportation with the most forward-looking countries.

The Chinese government now is progressive enough to lead the thought of the world in laying out over the whole of China an airport system for practically every important center. It will be recalled that the great American railway engineers did a similar thing for Russia in building railway terminals.

It should be understood that the beehive design is merely one solution to the
(Continued on page 229)



The necessity for conserving ground space probably will force development of two-story hangars. The ground floor will be reserved for commercial planes. The second floor, to which a ramp will give access, will house privately owned ships

Untangling the Government

By WILLIAM HARD

THERE is constant complaint of overlappings and duplications in the various departments of the Government.

These conditions, however, frequently are not so unreasonable as they appear to be at first glance.

William Hard explains here the reasons that underlie the linking of apparently unrelated projects and suggests a guiding principle for government reorganization

PART II

LAST month we discussed in NATION'S BUSINESS—and impartially debated—the proposed transfer of the Bureau of Prohibition from the Treasury Department to the Department of Justice. The timeliness of the topic is now amply verified by President Hoover's inaugural address. The President in that address commits himself to "the more effective reorganization of the departments of the Federal Government" and mentions one—just one—illustration of his meaning and intention. He says:

"It is essential that the Prohibition Bureau be transferred to the Department of Justice as a beginning of more effective organization."

That is the only specific reorganization project to which he stands today presidentially pledged. It is thoroughly known, however, that certain other such projects are continuously in his thought. It is significant, further, that his Postmaster General will be Walter Brown.

Mr. Brown is indissolubly associated with the whole subject of federal reorganization. This is so by experience and it is likewise so by enthusiasm.

Mr. Brown was the chairman of our last great reorganizing agitation and effort. He was chairman, that is, of the Joint Committee on Reorganization which was established under the congressional resolution of December 17, 1920, and which made its report June 3, 1924.

Still Pledged to Efficiency

MR. Brown accordingly devoted at that time more than three years to the theme of a better, more economical and more serviceable grouping of federal governmental activities. Many men might think three years of such strife and sorrow enough.

Mr. Brown, however, is made of persistent stuff. He is just as determined,

just as relentless and irresistible on the value of reorganized federal efficiency as he ever was. He has become more case-hardened only in the sense of perceiving more clearly the difficulties of his endeavor.

With Herbert Hoover, then, as President and with Walter Brown as Postmaster General the subject of federal reorganization is immensely less academic and diffused and immensely more practical and pointed than ever before in all our history. Indeed, it is not too much to say that for the first time since the foundation of the republic we have a President and a leading cabinet member who are intimately familiar with federal reorganization both as a total conception and as a detailed deed and who are bent on translating it from conception to deed as rapidly as possible.

We are, therefore, addressing ourselves to our studies in this matter not in the spirit of seeking remote and impossible counsels of perfection but in the spirit of participation in a going and impending development.

Let us then, even if we depart somewhat from our "case method" of last month, begin by looking at the Federal Government as a whole and at the central principle which, after all, should dominate its executive and administrative structure.

That central principle seems to me often to be gravely misstated or at any rate darkly obscured by clutters of talk about "duplications" and "overlappings."

It is certainly true that the various executive departments and independent

establishments of the Federal Government are frequently guilty of duplicating one another's labors and of overlapping one another's fields. It is also true that much of this guilt is absolutely inescapable.

Let us alight for a moment on, for instance, a certain tendril of the green bay tree of luxuriant governmental duties and beneficences. Let us contemplate our Indian Schools.

Shall these schools be assigned to the new proposed Department of Education and Relief? That is where they would fit, being schools.

Or, on the other hand, shall they be assigned, as now, to the Department of the Interior and, more specifically to that Department's Office of Indian Affairs? That is where these schools would also fit, being schools for Indians.

But now! If they are assigned to the Department of Education and Relief, then that Department will overlap into the field of Indians; and if they are assigned to the Office of Indian Affairs, then that Office will overlap into the field of schools. You are convicted of overlapping no matter whether you proceed in high or proceed in reverse.

The Bewildering Multitudes

YOU are similarly stalled and mired if you begin your reorganizing reformation of the Federal Government by concentrating on the whimsicalities of its duplications of toil. You will find those duplications in bewildering multitudes.

For example, you will find the Lake Survey of the War Department dealing with marine charts of the Great Lakes; and you will find the Coast and Geodetic Survey of the Commerce Department dealing with marine charts of our oceanic territorial waters, and you will find the Hydrographic Office of the Navy Department dealing with marine charts of foreign ports. But then where are you? You most certainly have no intention of erecting a new "Department of Charts;"

you have found three sets of chart-handlers but the question still remains, "Even if you merge the three, where will you put the new Department you've formed?"

What Shall Guide Reorganization?

NO! The first question is not, "Are there overlappings; are there duplications?" The first question is:

"What shall be the grand divisions of the Federal Government's working existence? What shall be the grand executive departments and independent establishments into which its various activities and services shall be thrown? What—to put it in a widely accepted phrase—are the Federal Government's big actual *major purposes*?"

Once get those purposes analyzed and fixed, once get each of them headed by one authority and one management, and you may want to merge those chart-handlers in one lump in one department or you may want to distribute them in several lumps through several departments according to the purpose their charts are designed to fill.

In other words, as I venture to view it, the primary basic clue to effective federal reorganization is the *Principle of Major Purpose*.

Nor is this principle without the backing of more authority than would be represented by my mere personal conclusion. If we return to the history of the Joint Committee on Reorganization, headed by Walter Brown, we find words highly pertinent to our present discussion. It occurs in the congressional resolution under which the Committee operated. That resolution stated an ideal toward which the researches and recommendations of the Committee should tend. It said:

"Each executive department shall embrace only services having close working relation with each other and ministering directly to the primary purpose for which the department is maintained."

Or, to put it in another way, the Principle of Major Purpose should be applied and each department or establishment should be dedicated to *one* major purpose, and all activities dominantly serving that purpose should be grouped into the department or establishment thus determined.

That line of action, in a broad and general sense, was the line held steadily in view by Mr. Brown as chairman of the Joint Committee on Reorganization. It is the line of action which he holds steadily in view now. It is, further, the line of action which most commends itself to Mr. Hoover.

On January 22, 1924, Mr. Hoover, as Secretary of Commerce, testified before Mr. Brown's Committee. In the course of his testimony he said, "Many foolish bases of organization have been proposed, largely arising from a confusion of the in-

struments with the purposes for which the instruments are to be used. Any particular activity of the Government may require the use of many different instruments. It may require scientific investigation or it may require statistics, but the suggestion that the basis of organization should be the assembling of these instruments into groups regardless of their purpose is one of the most common proposals of impractical persons who contemplate changes in the federal structure.

"We see rising out of these confused notions such proposals as those that have been before you whereby it is suggested that all governmental activities engaged in scientific and other research should be put in a group.

"Research is for some particular purpose, and research should be grouped according to its purpose. I wish to emphasize the idea that in reorganization the important thing is to assemble the various functions of the Government in groups according to the particular purpose in mind."

It is clear enough then that the Principle of Major Purpose has at least two claims upon attention. The first and smaller one is that it seems to be sound. The second and much larger one—if the realism of the remark may be forgiven—is that it seems to have the support of the two men who chiefly will deal with reorganization in the immediate future.

In sum, the key-word in these studies

HERBERT HOOVER said early in 1924:

"Any government activity may require the use of many instruments but these instruments must not be confused with the purposes for which they are used.

"In reorganization the important thing is to assemble the various government functions into groups according to the particular purpose in mind"

of ours from now forward for a while is the word *purpose*.

With it let us see what we can do to pick the lock of the general chilled-steel resistance which exists throughout our federal bureaucracy to almost all federal reorganization. Let us not indeed be petty in our assaults upon our bureaucrats. Let us not hurl them from pigeon-hole to pigeon-hole for paltry reasons which do not at all outweigh the value of their long familiarity with the resources and routines of the pigeon-holes. Let us nevertheless, with the *purpose* staunchly and stubbornly for our guide and for our weapon, explore the whole range of our federal departments and establishments for their

major deviations from *purpose*—and for their needed major redirections of it.

We enjoy the felicity, federally, of having ten executive departments and some 20 so-called independent establishments. We also have several executive enterprises which are not under the direction of the executive arm at all but are kept by Congress under its own direction.

These last are among our finest curiosities of federal administrative science. One of them is the Government Printing Office. Another is the Botanic Garden. A third is our magnificent federal library, which, since Congress retains its management, is called the Library of Congress.

What Is Congress' Domain?

IN the strictly administrative sense Mr. Hoover will not be the president of the Government Printing Office or of the Botanic Garden or of the Library of Congress. Congress chooses to keep these enterprises away from him and to maintain them as, so to speak, executive foundlings in the legislative nursery. The speculation arises:

If Congress can legislate the Botanic Garden into its own keeping, why might it not similarly legislate into its own keeping the whole of the Department of Agriculture—and relieve the President of all responsibility for it?

Why might it not legislate into its own keeping all the ten executive departments and all the 60 independent establishments and leave to the President only the luxuries of occupying the White House and of writing annual messages?

Those queries I leave with resignation to the constitutional lawyers, knowing full well that nothing either they or anybody else can say will ever induce Congress to release to the President any enterprises which ought to be executive managed but which Congress legislatively wishes to retain within its own immediate control.

We may, it is true, go back later on to the efforts that have been made in the past to sever Congress from its control of, for instance, the Government Printing Office; but our true course here takes us on at once to the bulk of our problem—the ten executive departments and the 20 independent executive establishments.

The 20 independent executive establishments need not detain us long. The argument used in disparaging them, and in elevating them into a "menace," is that they are not subject to any one Cabinet officer. An executive department has a Cabinet officer at its head. An independent executive establishment has not.

There are independent executive establishments which could not conceivably be put under a Cabinet officer. There is the Interstate Commerce Commission; and

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Is Modern Advertising Justified?

By L. D. H. WELD

Woodcuts by Harry Cimino



IT IS high time that advertising men paid serious attention to some of the things that have been said about the effect of advertising during the past few years. Most economists have acknowledged advertising's educational value in the introduction of new commodities, but they have often looked on it as an economic waste when it is employed to "puff" one brand of commodity in competition with brands that are practically the same in quality.

Recently there have been other attacks on advertising, claims that it seriously increases prices, that people are induced to pay high prices for inferior articles or for articles having an intrinsic value which is but a small fraction of the actual retail price. As a result many manufacturers and consumers have had doubts raised in their minds as to the economic value of advertising. Consumers have been encouraged in the rather common belief that they would do better to save money by buying unadvertised brands of articles, because they "have to pay for the advertising" of the well-known brands.

Linking Up the Arguments

ADVERTISING men have been loathe to acknowledge that advertising can ever raise prices. They have generally contented themselves with the usual—and sound—arguments that advertising tends to reduce prices by lowering selling costs and by cutting down manufacturing costs through large-scale production.

Let us briefly relate these two arguments. One of the principal features of recent industrial development has been the concentration of industry into fewer and larger plants. Mass production has resulted in lower manufacturing costs. Mass production, however, has been made possible only by creating a market for huge outputs. In this, advertising has played an important part. It has been a common occurrence for relatively small companies to rise above their competitors by outselling and outadvertising them.

The effect of advertising in reducing selling costs is even more direct and obvious than its effect in lowering manufacturing costs. Advertising often results in sales without the use of salesmen, as in mail-order advertising. But where salesmen are used, advertising prepares the way by establishing dealer and consumer acceptance. Less time has to be spent by salesmen in explaining the merits of their goods. Fewer salesmen are required to sell a given volume of goods.

This saving of selling time and expense applies to manufacturers' sales organizations, to jobbing houses, and to retailers. Clerks only have to wrap articles and return change in making many sales. In

some stores, consumers serve themselves. Some branded articles are sold through slot machines. When it is realized that salesmen's salaries are the largest single element in the high cost of marketing, the importance of advertising in reducing selling cost must be recognized.

Consequently, objecting to the price of a branded article, because the cost of its advertising is met in that price, would be just as sensible as objecting to the price of shoes because the cost of the machinery used in their manufacture is covered in the price. One has to pay for the use of the machinery, yes—but the price would be higher if the shoes were made by hand. Similarly, one has to pay for the advertising in the branded article, but would have to pay more if the distribution of the article had been accomplished entirely by personal selling.

Advertising and Competition

THERE is another important thought for the economists who say that advertising is an economic waste when it is used in selling competing articles of similar nature, that is, when it is used merely to shift the demand from one to the other brand. The same economists praise competition—in selling as well as in manufacturing.

They fail to realize that advertising is a part of the selling process, and that this competition is carried on through advertising more effectively and more economically than would be possible through competition of salesmen alone. Further-

"Advertising effects a widespread saving in selling time and expense. Clerks only have to wrap up articles and give change in making many sales"

more, advertising has undoubtedly raised the whole plane of competition, in that salesmen sometimes make claims and resort to subterfuges that would never be tolerated in printed advertising.

So much for the general arguments that are commonly accepted today. But does advertising always have this tendency to reduce prices? Is there nothing in the claims that advertising often raises prices? How about the unbranded article—in the rack of competitive price cutting—that is suddenly branded, possibly given a little better finish, and then priced at 50 per cent higher than formerly? Or the common drug, well known in the pharmaceutical trade, and selling for five cents an ounce, that is mixed with water or alcohol, colored and put in a fancy bottle with an attractive name and labeled and sold for a dollar a bottle?

Out of such practices has come the charge that by means of advertising and high-pressure selling consumers are induced to pay high prices for articles of relatively low intrinsic value. Advertising men, so far as the writer knows, have never answered that charge convincingly.

It seems to me that the reason lies largely in the unwillingness of advertising men to admit frankly that advertising may—and often does—raise prices. Or, to put it another way, advertising makes it possible to obtain higher prices for many articles than it would be possible to get without advertising. It is a law of economics that an increase in demand raises prices. Advertising certainly increases demand. Otherwise it is a failure. If the supply is increased sufficiently, the increase in demand is nullified, of course, so far as effect on price is concerned, but most manufacturers are careful not to put on the market any more of their product than the public will consume at the stipulated prices.

The Benefits Must Be Proved

NOT only must advertising men admit the power of advertising to raise prices, but they must give an economic justification for the condition. They must prove that it benefits mankind to brand, package and advertise articles so that they command higher prices than unbranded, unpackaged, and unadvertised articles.

Such proof is readily found through a glance at the principal effects of advertising, in so far as it tends to raise prices. These effects may be roughly classified as follows:

1. On the commodity itself (a) as a guarantee of quality, (b) in making procurement easier, and (c) in packaging.
2. On the manufacturer as a reward for risks assumed.
3. On the buying public (a) from the educational standpoint, (b) in fitting pro-



duction to the different classes of demand and (c) in creating new wants and adding to general satisfaction.

4. On general economic progress.

Advertising is a guarantee of quality and uniformity, and such a guarantee is of real value to consumers. They find that they get greater satisfaction by paying an extra price for an article in which they can have absolute confidence.

Of course, there have been instances where advertising has created a market for inferior or injurious articles, and where advertising has claimed qualities that do not exist. But such cases are exceptions. Great progress has been made in keeping injurious articles off the market, and advertising men and publishers have co-operated in preventing the appearance of misleading advertisements.

The successfully advertised article is not necessarily the best on the market, but experience has proved that unless an article has merit no amount of advertising can give it successful distribution.

Through advertising, this guarantee of quality and uniformity generally becomes linked with the name of the manufacturer, who, in turn achieves a reputation for honesty and reliability.

Likewise, advertising is sometimes used successfully to develop a reputation for distributors, such as a few well-known grocery jobbers, or certain well-known department stores. The reputation of the retail store often becomes such that its brands are sold successfully in competi-

tion with nationally advertised brands. Advertising also results in easy procurement, whereas the unadvertised article is not generally available. Some unadvertised substitute for the advertised article generally can be found, it is true, and many unadvertised articles are distributed widely. Some of them are "just as good," and some are not. The only way the consumer can be sure of getting just what he wants is to ask for the branded and advertised article with which he is familiar and which he can find everywhere.

Another Result of Advertising

FOR many commodities branding and advertising involves packaging. This packaging means an extra cost that insures proper sanitary condition, preservation of flavor and convenience in handling.

The three foregoing considerations may be summed up in the statement that the branded and advertised article is something more than the basic product itself. In some respects, it is a new, different and distinctive article of commerce. It has the characteristics of assured uniformity of quality, availability and convenient packaging that competing, unadvertised products do not possess.

A further justification for the added price made possible by advertising is found in considering that added price is a necessary reward to manufacturers for the risks they assume in putting a branded article on the market. A large financial

outlay is usually necessary, and the risk of loss is great. It is the chance of making a good profit that encourages business men to risk their capital in attempting to give their products a distinction that will make them acceptable to the public.

Advertising covers the cost of educating consumers as to the qualities of an article—and of keeping them educated and satisfied. The value of educating consumers as to the qualities and uses of a new article is readily granted. The need of keeping them educated is not so obvious, save to those who have successfully built up a market for an article and then lost a large part of it by discontinuing advertising.

Keeping the Public Educated

IF it is worth while to educate the public when an article is first introduced, it is just as worth while to keep the public educated. Furthermore, there is the turnover of the consuming market to be considered. Thousands pass out of the picture every month; new thousands come of age or enter the country and need to be educated.

As a result of the educational function of advertising, the public becomes more discriminating, gains a greater knowledge of the respective merits of competing articles. It becomes more intelligent in its purchasing, and buys articles that most nearly fit its needs and desires.

Akin to this point is the fact that by

means of advertising the supplies of commodities of varying quality and distinctiveness are fitted more definitely to the different classes of demand. A. W. Shaw pointed out long ago how advertising, by distinguishing one article from another, taps the different strata of demand. Some hats are made to sell for from \$3 to \$5. Others, with better materials and workmanship, are made to reach the \$7 to \$8 buyers. Others, with even better workmanship, and with certain up-to-date style features, are made to sell for \$10 and \$12 and more.

It is largely through advertising that the potential \$10 market has been developed. In other words, this function of advertising helps to match production to the varying desires of the public. It helps educate the public to distinguish between commodities of different qualities and characteristics. In this respect it is a beneficial, economic force.

Finally—and of fundamental importance—is the fact that advertising creates new wants, and, by furnishing the means to satisfy them, adds to the general happiness of mankind.

Of course, sometimes people are induced through advertising to purchase things they can't afford. This is not so likely to happen from advertising, however, as it is from personal salesmanship.

The great majority of purchasers fall into one of two classes—those that can just barely afford to pay for the adver-

tised article and those that could afford to pay more.

To the first class belongs the housewife who has just got to the point where she can afford an electric refrigerator. The satisfaction that she enjoys in its possession is real. Similarly we have the clerk who has been attracted by the advertisements of \$7 fountain pens. He finally decides that he can afford one. Think of the pride of ownership that he enjoys. Who shall say that he is not happier because of his purchase?

Multiply his experience by millions (representing consumers) and then by thousands (representing various commodities that weren't even dreamed of 50 years ago) and we get a faint idea of the aggregate of pleasures and satisfactions made possible largely through advertising.

But the great majority of purchasers of advertised articles falls into the second class—those who could afford to pay more than the price demanded. With such purchasers there is a surplus of satisfaction, a surplus that is being augmented continuously by advertising. It is what the economists call "consumer's surplus." It represents the degree of satisfaction measured by the difference between the price one actually has to pay, and the price that he would be willing to pay, rather than go without.

Professor Moriarty, in "The Economics of Marketing and Advertising," touches on this thought in the following words:

"Every article which advertising so changes in the regard of the consumer that he buys it instead of something else must be considered as yielding him a greater consumer's surplus than the article displaced. This means necessarily that his total consumer's surplus has been increased, and that his real wages are increased by this same amount in the buying process.

A Phase Deserving Prominence

IT is this phase of the influence of advertising which should be given prominence rather than the mere defense as to cost when those who think that advertising is a wasteful process insist that the consumer pays for it in the end."

It is sometimes objected that in attempting to make an article distinctive, advertising stresses unimportant features of quality, so that people develop foolish ideas about what they want, and lose sight of the intrinsic value of the commodities they buy. As someone said, "Advertising tends to create monopolies in unessential differences." But who is to define an unessential difference?

There was a small bedroom rug on sale for \$5.50 in a certain department

(Continued on page 184)

"Objecting to an article's price because it covers advertising costs is as sensible as objecting to shoe prices because they include machinery costs"



The Map of the Nation's Business

By FRANK GREENE

Managing Editor, *Bradstreet's*

THERE were many points of similarity between January and February. They were both mid-winter months, with all that this implies, and any excess of cold in January was offset by heavier snows or greater rainfall in February, resulting in poor roads in the western and southern areas and high streams in the South. In February, as in January, freezing temperatures reached the Gulf Coast while in the Southeast rivers again were out of their banks. In the Pacific Northwest, lumber production was heavily curtailed by cold and snow. In the South, farm work was practically impossible and in the North, building activities were seriously retarded.

The resemblances did not end with the weather conditions, however. The heavy industries, especially those connected with metal working—most of these indoor or under-cover trades—showed progress beyond that of January and to this extent a larger actual production was shown than in the opening month of the year. This, of course, with allowance made for February being the shortest month of the year and reckoning daily averages rather than total output as the test. Steel and automobile outputs set up new high records while soft and hard coal and copper mining and production of agricultural implements, machine tools, fine cottons, rubber goods, petroleum refining and shoe manufacturing were all active.

Not All Sunshine

THERE were some shortcomings of course. Building permitted for sagged from the year before as it did in three previous months, bad weather retarded lumber and cement outputs and farm preparations were almost out of the question.

The money situation continued to hold the stock market in check and was credited with being one of the causes of the sag in building preparations. Early March saw 12 per cent for call money quoted, as in early January. The price situation, to use a rather hackneyed word, "stabilized," in that net changes were small but showed some wide swings within the groups.

The stormy weather permitted a

squeeze of shorts in the egg market with resulting high prices, and hogs and hog products rose sharply while beef cattle dropped \$4 to \$5 below the peak of last year.

Steel prices were advanced \$1 and copper rose two and one-half cents a pound,

ber rose sharply, being up nearly 20 per cent over January 1, and coke prices rose 12 per cent in the month.

In distributive trade, mail-order sales in February dropped two per cent from the January total but were 20.8 per cent above that of February a year ago.

Chain-store sales, on the other hand, gained five per cent over those of January and eight per cent over those of February a year ago. The two classes of trade combined gained two per cent over the total in January, a much longer month, and were 13 per cent ahead of that of February, 1928.

More Chain-Store Sales

FOR the two months, mail-order sales gained 23.6 per cent, chain-store sales 11.3 per cent and the two combined rose 16 per cent.

This showing involves consideration of two facts, one that mail-order sales are becoming increasingly of a chain-store character, the second that even with only 22 business days in February as against 26 in January, retail trade in these two lines in February exceeded that of January.

Department-store trade in February showed a gain of only a fifth of one per cent in sales from a year ago, with one day less this year, however, to do business in. In January, department-store sales, with an extra day this year over last, gained six per cent. In February, 1928, department stores gained 2.2 per cent.

Wholesale trade in January showed a gain of 5.4 per cent over that of the like month a year ago, with dry goods, men's clothing and hardware, three out of nine lines, showing decreases.

Business was best in the larger centers of population and especially in areas benefitted by the activities of the metal and kindred trades, this, of course, including the automobile industry and its auxiliaries.

In February, if ever, was steel entitled to be called a trade barometer because, buoyed up by the activity in its related lines, it showed a daily average output exceeding that of the peak month of October, 1928, by 4.7 per cent and topped that of February last year by 11.3 per cent.

BUSINESS INDICATORS

Latest month of 1929 and the same month of 1928 and 1927 compared with the same month of 1926

Production and Mill Consumption	Latest Month Available	1929	1928	1927	Same Month 1926 = 100%
Pig Iron.....	February	110	96	101	
Steel Ingots.....	February	114	103	101	
Copper—Mine (U. S.).....	February	124	96	102	
Zinc—Primary.....	February	90	91	96	
Coal—Bituminous.....	February*	101	86	115	
Petroleum.....	February*	138	120	124	
Electrical Energy.....	January	131	118	111	
Cotton Consumption.....	February	104	102	104	
Automobiles.....	February	130	85	84	
Rubber Tires.....	Dec. **	136	94	98	
Cement—Portland.....	January	124	124	105	
Construction					
Contracts Awarded—36 States—Dollar Values.....	February	91	114	102	
Contracts Awarded—36 States—Square Feet.....	February	98	119	100	
Labor					
Factory Employment (U. S.)—F. R. B.....	January	94	91	96	
Factory Pay Roll (U. S.)—F. R. B.....	January	96	91	95	
Wages—Per Capita (N. Y.).....	January	101	101	102	
Transportation					
Freight Car Loadings.....	February*	103	98	104	
Gross Operating Revenues.....	January	101	95	101	
Net Operating Income.....	January	116	86	93	
Trade—Domestic					
Bank Debts—New York City.....	February*	184	132	111	
Bank Debts—Outside..... (X)	February*	124	105	102	
Business Failures—Number.....	February	109	121	113	
Business Failures—Liabilities.....	February	100	132	137	
Department Store Sales—F. R. B.....	February	109	105	102	
Five and Ten Cent Store Sales—4 Chains.....	February	128	124	112	
Mail Order House Sales—2 Houses.....	February	128	106	97	
Wholesale Trade F. R. B.....	January	99	94	93	
Trade—Foreign					
Exports.....	January	124	104	106	
Imports.....	January	95	91	80	
Finance					
Stock Prices—30 Industrials.....	February	195	123	99	
Stock Prices—20 Railroads.....	February	141	122	114	
Number of Shares Traded in.....	February	235	123	121	
Bond Prices—40 Bonds.....	February	101	105	102	
Value of Bonds Sold.....	February	78	101	126	
New Corporate Capital Issues—(Domestic).....	February	258	170	166	
Interest Rates—Commercial Paper, 4-6 Months.....	February	131	95	93	
Wholesale Prices					
U. S. Bureau of Labor Statistics.....	January	94	93	93	
Bradstreet's.....	February	97	100	94	
Dun's.....	February	101	100	95	
Retail Purchasing Power, July 1914 = 100%					
Purchasing Power of the Retail Dollar.....		62	61	60	
Purchasing Power of the Clothing Dollar.....		59	58	58	
Purchasing Power of the Food Dollar.....		65	65	63	
Purchasing Power of the Rent Dollar.....		63	60	58	

* Preliminary.

(**) Percentages are based on December 1925—100.

(X) Exclusive Boston, Cleveland, Chicago, Los Angeles, Philadelphia, Detroit, San Francisco, and New York.

Prepared for *Nation's Business* by the Statistical Dept. Western Electric Co., Inc.



Pig iron, its elder sister as it were, showed a daily average output three per cent ahead of that in January, 14.5 per cent above that in February, 1928, and the largest daily total for any month since April, 1926.

More Autos Produced

THE automobile output for February is expected to exceed greatly the 402,000 cars and trucks of January and to gain over February, 1928, upwards of 45 per cent as against the 70 per cent increase recorded in January.

February bituminous coal output, while 7.8 per cent below that of the much longer month of January, was 14.6 per cent ahead of that in February last year. Anthracite coal and coke outputs were also heavily above those of February last year. Petroleum output has been of record volume after a new peak monthly total for January and a 1928 output practically identical with the enormous 1927 aggregate.

Locomotive shipments in February were less than half those of February a year ago, but unfilled orders at the end of February were 66 per cent ahead of those a year ago. Railway cars ordered in the first two months of 1929 were



THE MIDDLE WEST enjoys a further extension of the light area in the February map, although conditions remained quiet in the bituminous coal area of Southern Illinois and Indiana. Pennsylvania also shows improvement. Conditions elsewhere remained largely as they were in January.

Lumber production, building and farm work were generally retarded, a condition ascribed to the severe weather prevailing

70 per cent of the total of cars ordered throughout 1928.

Among the lighter trades the slump in raw-silk deliveries to mills of 19 per cent from those of January and of 8.7 per cent from those of February a year ago is worth noting. That trade in 1928 was active beyond all earlier years but production has seemed to surpass consumptive buying at times. In the tobacco-manufacturing trades, cigaret manufacture of full volume is reported. Cotton-goods sales and shipments in February were well above production and unfilled orders were 65 per cent above those of February last year.

Growth in Many Lines

AS regards January exhibits not possible of mention earlier, it may be said that production of electricity was 13 per cent larger than in the same month a year ago, and gross earnings of public utilities were 3.3 per cent and net earnings 16.4 per cent ahead of January, 1928. Gasoline production and shipments were 22.6 per cent and 8.8 per cent respectively ahead of a year ago, a not inconsiderable part of these gains being due to price cutting which bordered on the grotesque in Southern California. There

(Continued on page 134)

Business Studies Futures Trading

THESE men are clearing away the fog of misunderstanding that has settled on the question of futures trading on commodity exchanges, notably in cotton and wheat. They are serving on the Committee on Commodity Exchange Trading appointed by the Chamber of Commerce of the United States.

Futures trading has been criticized on the ground that it results in speculative prices instead of prices based on natural influences. It has been just as earnestly defended as essential to orderly marketing.

The Committee, which met in Chicago February 4, is organized to determine the economic function of futures trading and to develop recommendations for self-regulation by the exchanges. The group is divided into two sub-committees to study phases of the marketing situation.



Julius H. Barnes
President, Barnes-Ames
Company,
New York City



Sydney Anderson
President, Millers'
National Federation,
Washington



E. W. Decker
President,
Northwestern National
Bank,
Minneapolis

William B. MacColl
Secretary-Treasurer,
Lorraine Manufacturing
Company
Pawtucket R. I.



Dr. W. F. Gephart, *Chairman*
Vice President,
First National Bank
in St. Louis

Chas. deB. Claiborne
Vice President,
Whitney-Central National
Bank,
New Orleans



Lynn Stokes
President, Texas Farm
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Dallas



H. G. Filley
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& Co., Ltd.,
New Orleans



F. B. Wells
Vice President,
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Minneapolis



William J. Vereen
Vice President-Treasurer,
Moultrie Cotton Mills,
Moultrie, Ga.



Samuel T. Hubbard, Jr.
Former President, New
York Cotton Exchange,
New York City



J. W. Shorthill
Secretary, Farmers' Nation-
al Grain Dealers, Assn.,
Omaha



Bernard J. Rothwell
President, Bay State
Milling Company
Boston



Bernard A. Eckhart
President-Treasurer, B. A.
Eckhart Milling Co.,
Chicago



How High Can a Woman Climb?

By EDNA ROWE

Decorations by Lauren Cook

THERE are 8,500,000 women gainfully employed in the United States. One out of every five women is a wage earner. One out of every five wage earners is a woman.

Statistics show further that the majority of stenographers and typists in America are women. However, of the million and more salespeople, only one-third are saleswomen. The proportion dwindles to about one-twentieth when we reach the field of bankers, retail dealers, real estate dealers and insurance and public service officials.

These latter figures show that women do not—numerically considered—register as a menace to man's supremacy in business affairs. Only a comparative few have chosen to enter that realm.

But what of those few? What do business men think of the commercial future of women in their respective fields?

I questioned one such business man—a president of a bank. He was Scotch, shrewd, and so thoroughly masculine as to be, I feared, temperamental intolerant of feminine characteristics.

As to Women in Banks

"**W**OMEN in banks? I'm afraid my opinion wouldn't help," he said. "I'm prejudiced. I'm prejudiced in favor of women. My father is to blame. He was a great believer in their intelligence. So our bank has always employed a large number of women."

"In what capacities?" I inquired, surprised. "How far do they go?"

"I would say that women go as far as they are willing to go," he replied. "Nothing stops them but their own objections. A certain woman in our bank today would be an officer if the decision lay with us. But she is married, uses her unmarried name in the bank, and doesn't wish to develop the dual personality to a conspicuous point."

"Women step off the financial elevator sooner because they have had enough ride. They are satisfied sooner—in rank and income. A good, satisfying and ultimate salary, in the opinion of most women, is \$250 a month."

"They have less feeling of responsibility toward the future—both personally and for their dependents. A man with a son feels responsibility for building a fortune for him. A woman is conscientious in providing her son an education—but seldom an inheritance."

"But you think there is no difference in business caliber—acumen—whatever you call it?" I interjected. "No sex distinction in a grasp of problems?"

"None," he declared. "I believe—if equally intelligent and equally trained—a woman's business judgment is as good, or better, than a man's. In faithfulness and precision they ex-

cel, generally speaking. They make splendid heads of safe deposit departments. They're going in for law, too—and they're good at it. That opens up a big field for them in banking."

"How about that sense of honor we hear about—or the lack of it?" I asked. "Do they leave without notice? Do they undercut fellow workers?"

"Well, if they do, it's because we've undercut them," he said, "by giving them less money for the same work."

Fewer Women Executives

THE number of women executives and officers is still much smaller in proportion to the total number of women working in banks than in the case of men.

But between 1910 and 1920 the number of women "bankers and bank officials" increased by more than 150 per cent while the increase in the total number of women bank employees was 47 per cent. The opening of women's depart-

ments in banks, a comparatively new venture, perhaps accounted largely for this. It is natural that for help in this direction the banks should turn to women already in their employ.

"During the war," another banker, a conservative, square-



When women earn enough to dress and live well they are satisfied

mindful man of national prominence, told me, "many of our positions were taken over by women. I was delighted with the results. They were more loyal, more faithful. I prophesied a permanent force of which a large percentage would be feminine."

"But—," he paused, "the fact is we have only one woman teller today. The reason is that in continued service we found that women did not meet emergencies. They failed in unexpected situations."

"One other criticism. Women are inclined to cause difficult situations in personnel matters. They are capable, so far as the work is concerned, of moving into managerial positions, but they're incapable of diplomatic handling of the force. The sense of business honor is not present, instinctively, in the majority of women. It may be merely undeveloped. I don't know."

"Can you," I asked him, "visualize—say, ten years hence—a board meeting of your organization where women will hold an equal place with the men?"

"Some will probably be entitled to it," he answered, "but mixed board meetings will always be unsatisfactory. Not because of any sex antagonism or inferior mental capacity, but because men and women differ fundamentally in their mental approach to a problem. The result of their mental actions may be the same, but their methods are opposed. Consequently, the capacities of both are hampered by mixed board meetings and much valuable time is wasted."

"Work Capably and Faithfully"

CARRYING my inquiries to the matter of financial reward I found that an average "good" annual salary for a woman bank employe is about \$2,000. Having obtained such a position, most women remain there, doing the work capably and faithfully, without any great unrest to urge them endlessly upward.

Turning from woman's place in banking to the niche she occupies in the insurance world, I was astonished to find that the Metropolitan Life Insurance Company lists 65 per cent of its workers as women. Other insurance companies also number large percentages of women among their workers.

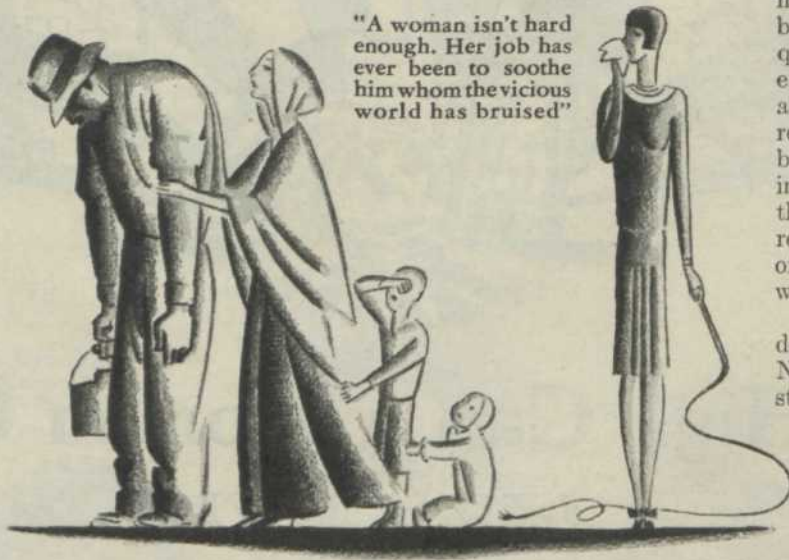
Some insurance companies have organized women's departments in which women agents sell primarily to women clients. Other companies accept women on their selling forces on an equality with men and with equal opportunity for advancement. One company reports that among its agency clubs, approximately seven per cent of the members are women who in one recent year produced about \$17,500,000 worth of new business involving premiums approach-

ing \$700,000. One-fifth of these women had obtained a minimum volume each of \$250,000 in new business.

The natural progression of a girl in one of the big New York companies was described to me by one of its officials.

"She is usually about 16 to 18, a high-school graduate," he said. "If she stays one month her salary goes up one dollar. She is encouraged to study stenography, at which she can earn from \$24 up,

"A woman isn't hard enough. Her job has ever been to soothe him whom the vicious world has bruised"



She is then in line to become the assistant to a department manager. After that she becomes section head at a salary of \$60 or \$65 a week. Then—she marries."

However, many more richly rewarded positions are available to women in insurance—if they escape the ultimate fate that this official described. As managers of women's departments their incomes range from an average of \$4,000 to a probable maximum of \$10,000. Superintendents of agents and solicitors average \$5,000 to \$10,000 after five years. I know one young woman, 31 years old and six years with her company, who is earning \$90 a week as assistant director of advertising and publicity.

There seems to be, in this field, a more defined progress, a more assured "reward of merit," for a young woman of persistence. That men still get farther is due—according to a vice president's analysis of his own personnel—in some degree to convention and tradition, but in larger measure to the greater ambition of the men.

"They will study nights, for example, to become actuaries," he said. "Women are satisfied with \$3,600 and expenses. When they get enough to dress and live well and save a little, there is no further urge."

Nevertheless he confessed that he could easily picture women as a normal and accepted factor in staff meetings and as heads of divisions ten years hence.

I next invaded the department-store field. I found that women were naturally more "at home" here. Since retail

selling deals largely with the needs and desires of women, merchants have been quick to realize that here the young college woman, alert, intelligent, "business-minded," has a distinct asset in her feminine taste and knowledge of feminine reactions.

Just as the advertiser is aware that today women and youth do the buying (even of motor cars, books, and men's wear), the merchant knows that a young woman heading a department is apt to sense the buyer's preferences. Consequently we find women buyers, stylists, advertisers, and managers of lunch rooms, increasing in number. Graduate schools offering competent training for this line of work are in part responsible for the progress of women in administrative work in retail selling.

Samuel Reyburn, president of Lord and Taylor, New York department-store firm, told me, "Women grade up a little better than men, place for place."

He believes that there is no kind of work except arduous physical labor that they cannot do satisfactorily.

"Women who succeed in department-store work must be unrestrained by a social or a cultural class consciousness," he said. "They must have an inquiring mind, a personality not too reserved. A woman executive must be able to use systems and to make them."

One of the foremost retail merchants of New England wrote me:

"Of the 138 positions of first importance in our store, 57 are filled by women and 81 by men. There is little indication of any steady increase in the number of women holding administrative positions."

"There is no established limit as to the kind of position or salary for women. I suppose that women occupy as many major executive positions in this business as in most others, for there are relatively few in which women are occupying the very highest places. In the classification of buyers we have equally able men and women working at the same salaries."

Opportunity for Both Sexes

THE employment manager of a western chain of department stores (a woman by the way) believes, "that the present extent of the employment of women in executive positions in retailing justifies the statement that the time has long passed when any sex discrimination has been shown in this field."

"It has been the experience of merchants that certain merchandise sections can best be handled by women buyers," she added. "It has also been the experience of large organizations that women

are better qualified, because of the preponderance of women employees, for positions in the personnel division that require keeping in close contact with employees.

"All positions involving store maintenance, equipment and construction properly belong in the domain of men. It has also been demonstrated that men are better equipped as general directors or supervisors of large groups of buyers."

The income a woman may expect from retailing runs from an average of \$150 a month to the really high salaries paid to many women who have made good in this field.

Looking into women's opportunity in manufacturing we find that while—according to the last census—15.05 per cent of all persons employed in manufacturing and mechanical industries are women, only 5.86 per cent of all managers, manufacturers, officials and foremen are of that sex.

I sought a manufacturer whose opinion would, I thought, be indicative of the male viewpoint on the reason for this.

Women and the Business Urge

"WE don't have women in administrative positions," he said flatly. "There are certain characteristics which are requisite, and which a woman doesn't have. Perhaps she'll cultivate them. Personally I think she won't. Can't. Biological, perhaps. Anyway, today she hasn't the vital business urge. She goes into business as a means of making money or of gaining independence. But the thing itself doesn't fascinate her."

"Has the business woman a commercial sense?" he continued. "Does she know the difference between markets? Would she get the right 'hunch'? Emotionally her intuitions are surer than ours. Commercially they're no good. It's dangerous to act on a woman's judgment."

"Another thing. A woman isn't hard enough. How could she be? Her job has ever been to soothe and help him who the 'vicious world has bruised.'"

"Furthermore, would a woman have the nerve to lose \$10,000 in one month, say, for some possible future benefit? No. Business is a matter of big slashes. Women work with little pats. They don't possess the knack of having goods sold before they buy them? Understand I'm talking about women in the marketing field. When it comes to inspection, they are more on the job than men. Detail again."

"Then too, I think men are antag-

A position that a man sees merely as a stepping-stone to a better job appears to the woman in business as a good place in which to sit

onistic to dealing with women in a business way. If a woman comes to the office with some proposition, a man feels he ought to see her where he wouldn't bother with a man on the same errand. That in itself annoys him. He'll be more courteous—but also more skeptical."

Very well. If commerce-mindedness in its largest sense is a purely masculine quality, institutional management, which is in a way the elaboration of the home-making profession, should be a natural field for women. This I found to be true.

Administrative dieticians in hospitals are practically all women. Orphan asylums and homes for the aged and disabled are largely under the direction of women. The administrative forces of school lunch rooms, clubs, organization dining rooms, and social service cafes are largely made up of women. In hotels women serve as housekeepers, controllers, floor managers, floor clerks, linen room assistants, parlor matrons, timekeepers. Nevertheless, few women are in

major administrative positions in hotels. The numerical proportion of women managers of cafeterias, tea shops and restaurants is still small. I know of one case, though, where a woman ran a tea shop with such success that she felt she could afford a husband. She even bought him a clothes-pressing shop to keep him happy and occupied. Working diligently, he lost \$10,000 in an incredibly short time.

"Dearest," she was heard to remonstrate, "you must let me take over the shop. You know I married you for a sweetheart, not a business man!"

I found that in publishing houses, a woman is rarely editor-in-chief, even of household publications. There are, however, numbers of women assistant editors and readers of manuscripts.

There are also women directors and executive secretaries of trade associations, automobile clubs and chambers of commerce. Still only about 38 women are holding such secretarial positions, and only seven of the 38 are holding jobs in cities of more than 10,000 population.

Successful women are found, however, in practically every type of real estate work. Many specialize in the leasing and subleasing of city apartments. They work—and with success comparable to men—independently, representing real estate firms, and as renting agents for large estates.

Are there any conclusions to be drawn from this survey of women's place in business? Not definite, indisputable ones, perhaps. But certain attitudes and certain tendencies of thought are undoubtedly indicated.

Women, generally speaking, do not reach the roof in a business organization. Exceptions to this rule prove only that there is no biological or unalterable law preventing women from reaching the top. Women in commerce do climb, however, in considerable numbers and without great oppositions, to the assistant managerial, assistant editorial, assistant directorial desk. There they stop. Why?

Why Women Stop Climbing

NOT because of discrimination or antagonism on the part of their male employers or associates. Men have no fears of women's competition, for men still number four to one in industry as a whole, six to one in commerce as a whole, 16 to one on the upper floors. This numerical advantage and experience, tradition and singleness of purpose, make man in general quite willing to give the woman aspirant an equal chance. In many cases his altruism may be strengthened by the fact that women still work for less money than men.

Then, if men don't "put them off" (Continued on page 235)



Should quantity alone govern manufacturers' prices?

We Can't Set One Price for All

By IRVING S. PAULL

President, Institute of Carpet Manufacturers of America, Inc.

THE problem of price is in every manufacturer's mind today. One reason for that is the increasing power of the mass distributor, the chain store, the mail-order house, the great department store, all measuring their sales, not in thousands and hundreds of thousands, but in millions. Only the other day a manufacturer whose products are sold throughout the United States, said to me:

"I was approached the other day by the agent of a great buying group of stores. He wanted to buy large quantities of my product. But he wanted tremendous concessions."

"Well," said I, "did you agree to sell to him?"

And his answer was, "No, I closed my mouth, for it seemed to me that every time I opened it I saw a sharper glitter in his eye as he saw the gold in my back teeth."

But how can the manufacturer approached with the lure of quantity resist that appeal? How can he determine whether that appeal is unsound? How, in short, can he fix his prices?

To the man on the side lines the answer seems easy.

Why doesn't the manufacturer compute his production costs, add a fair profit and charge that?

The answer is not as easy as that. The manufacturer in this complex modern world is not merely a maker of things. He's a distributor and part of the burden and the expense of distribution lies with him.

As an illustration, suppose the sales manager of a large factory receives four orders of the same size from different kinds of distributors. One order is from a wholesaler, a second from a retailer, a third from a mail-order house and a fourth from a large consumer. Let us still further assume—this is a fairy tale—that each of the four orders calls for 10,000 units of the factory's product. Should the orders be accepted at the same price?

Again the man on the side lines is likely to say yes. But the truth is that during the longest era of prosperous demand for goods we have ever known, with wages at a level that is a record for the world, we have suffered a costly disruption of our distributive system, and there is no doubt

that the practice of regulating prices solely according to quantity is a basic cause of that demoralization.

If our sales manager prices the four hypothetical orders solely on a basis of quantity, he will be contributing more confusion and demoralization to his own and general distribution.

If we take to pieces the costs of distribution of any product, I believe that every function, and every necessary step or element of the function, can be isolated and its cost determined. When this is accomplished, we find that most, if not all, the demoralization is due to the failure to consider the cost factors of the functions of distribution.

The value of a commodity at any point along the route of distribution includes not only the manufacturer's cost of the commodity but the cost of the service necessary to move it from the factory to the place where it rests.

Applying a Yardstick to Costs

THIS may be illustrated with a common yardstick. Let us assume that the first 12 inches represent the distributive function of the manufacturer, and that each inch indicates a definite factor of cost. After converting raw materials into finished products, the manufacturer must warehouse his goods, insure them, advertise and sell them and perform numerous other services to get his products into the channel of distribution—factors that must be properly classified as distributive ones.

The second foot of the stick represents the spread of distribution usually taken over by the wholesaler. The wholesaler receives shipments from the manufacturer, warehouses the goods, inventories and insures them, breaks bulk into units convenient for the retailer, sells, ships and performs numerous other services, besides standing the losses due to bad accounts, deterioration and obsolescence.

It is a simple matter to mark off every distributive factor and expense of the wholesaler on the second foot of the yardstick. If drawn to scale this spread would be represented by more of the stick than the manufacturer's function requires; but for convenience we shall give it also 12 inches.

Likewise, we shall assume that the retailer performs

one-third of the distribution, and devote the last foot of the yardstick to the retail function.

We now have a graphic measurement of all the cost factors of the three functions of distribution, and if the sales manager with the four orders has properly studied his problem of pricing with this yardstick before him, he will realize that the cost factors of distribution are not changed by a change in the ownership of the goods, nor by shifting the performance of the functions from one to another. Therefore, if he sells all of the orders at the same price, in three instances he is burdened with costs for which he has not charged.

Let us imagine that the manufacturer stands at one end of our yardstick and the consumer at the other. Then, in completing the function, the manufacturer ships his goods to the wholesale distributor. Since the wholesaler buys in sufficient volume to service his retail customers, he will place the merchandise in stock in his warehouse—to fill the orders brought in by his salesmen. In performing his function, the wholesaler will break bulk and distribute in small lots to retailers, who, in turn, will resell to consumers.

But some manufacturers find an advantage in selling their output direct to retailers. In this case, they must provide the storage facilities and reserve stock, break bulk and distribute in such quantities as may be required by the retailer. In disposing of a necessary volume, a manufacturer of this kind assumes the function of the wholesaler.

This requires a much larger selling force and the maintenance of a wholesaling organization, whether it is recognized as such or not, and, in measuring the distribution of a manufacturer of this kind, we would have to include the first two feet of our yardstick.

Other manufacturers sell direct to the
(Continued on page 116)

The Other Side of a Business President

By JOHN LAMBERT



CALVIN Coolidge tilted back his chair against his desk, settled himself comfortably, lighted a thin, black cigar, looked meditatively across the expanse of White House lawn to where Washington's Monument towers above the Potomac, and said to the friend who sat beside him:

"I believe I am leaving the government of my country in good condition.

"I have made no feuds. I have made many new friends. My only regret now is in severing myself from the companionship of my friends here."

He was shortly to yield the office of President of the United States to his successor. And he thus summed up with characteristic terseness the net of his experiences and emotions during his six years as "the mightiest ruler on earth."

His political motive had been, of course, to leave the government of his country "in good condition." He had taken it over when it was being buffeted in the maelstrom of post-war extravagances and riotous spending. He adopted economy as his slogan and he slashed away at extravagances with a determination which some of his subordinates, formerly reckless with government funds, regarded as actually ruthless.

He had set out to establish government finances upon a firm foundation against the day when his successor would have to command generous appropriations for the public works necessary to meet the expanding needs of a rapidly growing nation. As he contemplated, with his friend, the three enormous tax cuts and the reduction of the public

debt by about eight billion dollars, together with the fact that no pressing emergency faced the Government in international affairs, he was prompted to make his satisfactory observation:

"I believe I have left the government of my country in good condition."

Settled Troubles

OF his personal affairs being also "in good condition," much could have been said by him in his ruminative mood had he so desired. The first two years of his Presidency, involving the vexatious holdovers from the Harding administration, his own Presidential campaign and the declaration of his policies to an unfriendly Congress, were by all odds the hardest. But he had ironed out most of his difficulties with Congress, had established his own identity with the country and, since his decision not to run again, had enjoyed a less restrained, more playful mood.

But, more interesting than all else, was his expression of the sentimentality of friendship. The reticent man from Northampton was retiring from all the glammers and excitements which enshroud the Presidency and his only regret was his departure from the new friendships which he had acquired. His personal, human qualities of which his words gave a hint are those which are known the least.

If Calvin Coolidge had lived in Washington 80 instead of the eight years which he was then completing, he would still have been an enigma to Washingtonians.

Washington never quite "got" him.

Here he was, his two years

THE writer of this article is one of the few men, if indeed not the only one, whom Mr. Coolidge publicly described during his presidency as a personal friend. At the annual banquet of the White House Correspondents Association in 1928 he said of his acceptance of the dinner invitation, "When your retiring president, Mr. Lambert, who has been my friend for many years, called on me, I wanted to accept on his account"

as Vice President behind him and on the verge of terminating his six years as President, the most conspicuous and loftiest offices in this Republic of 120,000,000 people, and he still remained the great mystery man of the capital.

He was still regarded as the "Silent Calvin" who had eked out a quiet, unobtrusive and, at times, almost solitary existence as the Vice President. "Reticent" and "taciturn" were the two adjectives yet most commonly applied to him.

So few people knew him intimately and so reluctant was he as Vice President to play Washington's most popular game, "Stealing the Limelight," that upon his sudden ascension to the Presidency a myth was woven around him.

The dramatic circumstance of his induction into the office by his father in the Vermont farmhouse by the rays of the kerosene lamp made him splendid copy for the chroniclers of current events. It was history; it was precedent of the homespun variety, and, therefore, strikingly unusual to the at times superficial, at times ostentatious life of Washington. His natural caution and reticence were handy supplements for the weaving of that myth. And Washington failed to penetrate it, despite eight years of intensive and prying study.

Inherited His Reticence

NOW, there is not one whit of the extraordinary in this reticence and taciturnity ascribed to Calvin Coolidge. Admittedly, it exists. It is with him a trait of character, somewhat inherited. And it is in part the product of a studied caution enforced upon him by an experience of nearly a quarter of a century in the unsettled, unstable and artful world of practical politics.

That his reticence is a family trait and, therefore, a natural inheritance is aptly illustrated by a story which his old Vermont neighbors tell of his paternal grandfather. The old Colonel was seen guiding a new team of oxen over the highway which weaves its way through the hills between Ludlow and the former President's native Plymouth. The village wit allowed he would find out what the Colonel paid for them. So, at the village post-office that night, a number of villagers remained for the passage at arms which would test the armor of the Colonel's reticence.

"Fine night, Colonel Coolidge," began the inquisitive one.

"Yes,"

"Fine team of oxen you were driving today."

"Yes."

"New team?"

"Yes."

"What'd you give for them, Colonel?"

The Colonel stuck to his monosyllables.

"Note," he replied.

One need but turn to the practical realities of important political life to ascertain why Calvin Coolidge enforced caution upon himself. Washington hung upon his every word. An incautious sentence falling from his lips might have

broken the stock market 15 points in either direction; it might have provoked estrangement with some world power. Or, it might have fallen into the ready ears of an irresponsible gossip or professional information-purveyor by whom all national caprices are infested.

When a Secret Is no Secret

PRESIDENT Coolidge had learned from his long political experience that a secret can be entrusted with safety to but one person. When it is told to two, it is no longer a secret. When related to three, it becomes common property. He, therefore, disliked to, and, consequently, did not talk in town meeting. The individual visitor to the White House found him occasionally as verbally gushing as a Yellowstone geyser; the Congressmen who attended the White House "missionary"

breakfasts found him as silent as a clam. Two of Mr. Coolidge's earliest friends in politics were the late Senator W. Murray Crane and Martin M. Lomasney, a Boston Democratic leader of Irish extraction. These two men were far apart in their viewpoints on issues and principles, but they had a common philosophy in the troublous field of politics, a philosophy which Mr. Coolidge found expedient to observe. It was thus expressed, "Never talk in the presence of two persons; never write it, if you can say it."

It has already been stated that Mr. Coolidge's reluctance to engage in the popular pastime of "Stealing the Limelight" while he was Vice President caused him to be an unknown figure and thus promoted the cloaking of his person in a mythical character upon his dramatic succession to the Presidency. But in his

Business Men You Have Read About



PRESIDENT NOW

Albert E. Clift, formerly senior vice president, Illinois Central, is president of the Central of Georgia Railway and Ocean Steamship Co. He succeeds J. R. Pelley, new head of the New Haven



SHE'S BOSS

"G. V." Woodman, of London, is one of England's youngest executives of either sex. She is director of the Fisher Book Binding Company. In the trade, she is known only by her initials, "G.V."



AIR LEADER

As president of the Aeronautical Chamber of Commerce, F. B. Hentschler can speak for the aircraft industry. He heads United Aircraft and Transport, New York, and Pratt and Whitney, Hartford



MOVES UP

Frank A. Ketcham assumes more responsibility for the success of the Graybar Electric as the new president. He comes up from the ranks to relieve A. L. Salt, now chairman of the board of directors



COLOMBIA

The city of Bogota, Colombia, hires John P. Wernette, of Cambridge, Mass., to help figure out a municipal budget. Mr. Wernette is at present an instructor of economics at Harvard University



ENGINEER?

Francis B. Davis, Jr., of New York, set out to be an engineer after leaving Yale, but he was too good as a business man. The du Pont interests took him in charge. Now he's president of U. S. Rubber

refusal to stomp upon the stage and grab the leading role there was nothing mysterious. In permitting himself to be submerged he was demonstrating another philosophy of his public life. He was a disciple of the virtue of "responsibility." He always yielded it to those in authority. He expected it to be faithfully granted to him by his own subordinates.

His Loyalty to His Chiefs

TWO incidents of his career illustrate the point. He was lieutenant governor of Massachusetts when the late Samuel W. McCall was governor. The two sat in weekly meeting with the Governor's Council, seven popularly-elected officials who constitute somewhat of a state cabinet. But, unlike the President's cabinet, it has a voting power in the confirmation or rejection of the Governor's appointees

and in other important executive matters. Upon the completion of his term, Governor McCall paid feeling tribute to the loyalty which Lieutenant Governor Coolidge always displayed.

"Calvin never attempted to usurp the functions of the governor," he said. "He was always with me, and the vote in the Council was often seven to our two."

The other story is related to the memorable national campaign of 1920, which resulted in Mr. Coolidge's election as Vice President and ultimately in his elevation to the Presidency. He was campaigning the border states. Former Governor Lowden of Illinois, Governor Morrow of Kentucky and Job Hedges, the humorist, were the other principal campaign orators on the "Vice Presidential Special."

It was his first long campaign tour. I

inquired of him how he was enjoying it.

"Immensely," he replied. "It is my first visit to this section of the country. I admire the natural attractions, and I like most of all to look from the observation platform into the faces of the people and to guess at their thoughts, their ambitions, their desires."

"There is one phase of this tour, however, which I dislike thoroughly. I am talking generalities and platitudes. I dislike it. I like to be specific. But if I speak my views upon an important issue and if they differ from those of Mr. Harding, who might be expressing opposite views at the same time, the press would emblazon across the front page, 'Harding and Coolidge Split.' Mr. Harding is the candidate for President. His is the major responsibility, and I will not embarrass him."

Possessing the virtues of loyalty and patience, he has gotten along well with his friends and with Congress. He has Indian-like traits in the matter of friendship; he, in fact, points to an Indian branch far back on the family tree. His is a quiet, firm and deeply rooted friendship. He prizes his personal friendships highly even though he finds difficulty in giving oral expression to them.

Enjoys His Friendships

"FRIENDSHIP is a great thing," he said near the close of his term. "It is a fine compensation. I am happy to have had the privilege of so many friendships in Washington and especially happy that none of those friendships, so far as I know, has been broken."

At another time he gave expression to his yearning for a renewal of his older friendships.

"I have been thinking," he said, "of some of the old friends that I have had during my lifetime. I wish I could return to Northampton and find the same body of stalwart citizenship that I found when I first went there in 1895. It doesn't seem as though there could be the same splendid men and women living in the old town that I found in those days. They are gone, most of them. New faces have come. New thoughts, new activities and new interests have taken their place. I hope, when I return there again, to become a part of the life of that town."

"I was thinking, too, of the friends of my boyhood that I knew in Plymouth when that was a more thriving town than at present. They were a fine set of people."

There may be glimpsed another and poignantly human side of Mr. Coolidge's lesser known self in a book that now rests on the library shelf of "Dick Hall's House" at Dartmouth College. "Dick Hall's House" is a convalescent home and infirmary for Dartmouth boys, built by Mr. and Mrs. E. K. Hall, of Montclair, N. J., as a memorial to their son, member of the class of 1927, who died while in his sophomore year at Dartmouth. In the library of "Dick's House," as the Dartmouth boys affectionately refer to the home, are

(Continued on page 230)

In the Passing News of the Month



DEFENDS TRADE

Charles E. Carpenter, president of E. F. Houghton and Co., Philadelphia, does not like the book "Your Money's Worth." So he writes "Dollars and Sense," to tell why. He defends business



MORE YOUTH

Another young man becomes a leading executive in the automotive field. E. S. Gorrell of Indianapolis moved up to the presidency of the Stutz Motor Car Company, to succeed F. E. Muscovics, retired



BIG SPARKS

Need any artificial lightning? F. W. Peek makes it for the General Electric at the Pittsfield Works, to test out its effects on power transmission lines. He's up to 5,000,000 volts at present



VARIED LINES

W. H. Coverdale, new president of Gulf States Steel, also heads shipping, shipbuilding, coal and petroleum interests. He's a Canadian, has engineering experience, several degrees, and a farming hobby



COMMISSIONER

Glen B. Eastburn started in with the Omaha Chamber in the Industrial Bureau. Now he is named Commissioner. He was graduated from the automobile business to chamber work. Like Hoover, he's from Iowa



YOUNGEST

Emil J. Roth is said to be the New York Stock Exchange's youngest member. He is an active trader while only twenty-one years of age. He is connected with Samuel Ungerleider and Company

“SELL,” cry manufacturers to the small retailer, “sell, sell, sell.” They take so much of his time helping him that he has hardly any time left for selling



They converge upon the merchant. You are urged to cash in big on seeds, alarm clocks and what not

Making a Machine of the Retailer

By EVERETT RHODES CASTLE

Illustrations by Stuart Hay

LAST summer I made an automobile trip through four states in the interests of one of the great lamp manufacturing companies. My purpose was to determine, if possible, to what extent the small merchant was a sales factor in modern marketing.

Before I went I saw a little play enacted before a group of electrical jobbers. It encouraged lamp sales and was called, "How Are You Fixed For Lamps?" A young woman, who enacted the leading role, stood by a lamp display and sold a young man, who thought he needed only a single bulb, a one hundred-watt lamp for his kitchen and a carton of assorted sizes to have in the house in case of emergency.

It was interesting. My cigar went out as I watched. I borrowed a match from the man sitting next to me. On the flap of the match tab I read, "How are you fixed for lamps?"

On my way out of the auditorium I stopped to admire a beautiful window display. As I backed away I knocked over a cardboard dingus which turned out to be a smiling young man who demanded of me, "How are you fixed for lamps?"

Late the same afternoon I stopped at

a hardware store to buy some dry cells for my radio. In the window was a lamp display and an announcement of price reductions. I walked into the store. Before me was a counter of lamps. I told a salesgirl what I wanted. She was a pretty girl and I steeled myself as I waited her return with my dry cells. "No, I didn't need any lamps. No, I didn't need any lamps. No, I didn't . . ." I was still steeling myself against her expected query as she brought my parcel. She smiled. She held out my package. Then she spoke.

"Thank you," she said. "Come in again."

I Start My Pilgrimage

THE next day I started out on a lamp-buying pilgrimage. Were merchants selling lamps *a la* drama? Were they suggesting lamps? Were they utilizing the lamp selling machinery that was being provided? I took a list of fifty stores, promising myself that I would buy one lamp at each, or some article that might suggest lamps, and that I would buy a carton if asked to do so.

I started with one of the things I had heard stressed—suggestive selling. I walked into a hardware store in western New York and asked for some plug fuses,

adding that I was having trouble with my lamps burning out as well as my fuses. As I waited I stood before the lamp display and toyed with the lamps. I even picked one up and shook it gently next my ear. A few feet away the man was watching me as he wrapped my fuses.

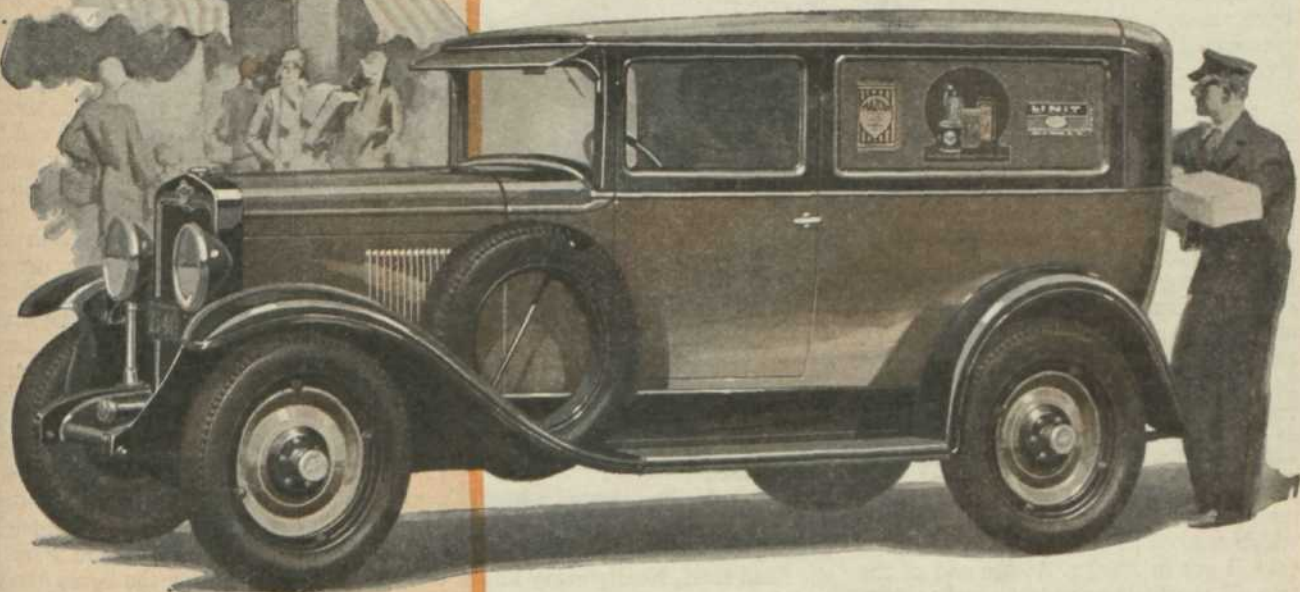
"Thanks," he said, as he handed me the parcel. "Come in again."

Failing with fuses I tried three-way sockets, which I felt would suggest to anyone in a receptive mood the fact that two lamps were going to bloom where only one had bloomed before. I made one call after another, but waited in vain for an invitation to buy lamps.

I tried the salesmanship of the merchants from another angle for thirty-five calls.

"I want a twenty-five-watt lamp for my kitchen," I invariably began. Having seen the playlet, I knew what ought to happen. The man was going to ask where in my kitchen I was going to use the lamp? How big was the room? Perhaps in proving to me that a twenty-five-watt lamp was inadequate for my purpose he would show me the lamp chart, prepared by experts, showing the illumination requirements of the modern kitchen. All of this would occur before

for Economical Transportation

**The SEDAN DELIVERY**

Adapted from passenger-car design. Smart, comfortable and unusually roomy. Wide door in the rear for bulky merchandise. Eight sq. ft. of panel space for lettering. Fisher body. **\$595**

**The ROADSTER**

A fast, smart, economical unit, with generous luggage space in the rear. Close fitting storm curtains open with the doors. Rear deck cover easily removable for mounting "pick-up" box. **\$525**

**The COUPE**

One of the smartest two-passenger enclosed cars on the highways. Adjustable seat with luggage compartment. Spacious rear deck that will take a sample trunk. Fisher body. **\$595**

All prices f. o. b. factory, Flint, Mich.

Now available for Fleet Operators—

Six-Cylinder Performance with the economy of the four!

Offering three new six-cylinder models that meet a wide range of transportation requirements, the Chevrolet Motor Company has made available to fleet operators a measure of value that is without precedent in the commercial car industry. Not only do these new Chevrolets introduce into the low-price field an entirely new order of smartness and utility . . . not only do they offer economy of operation equally as outstanding as their famous four-cylinder predecessors—but they are sold in the price range of the four! See your Chevrolet dealer today. He will gladly give you a thorough demonstration—under your own conditions of usage.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Division of General Motors Corporation

1½ Ton Chassis.....	\$545	1½ Ton Chassis with Cab.....	\$650
Light Delivery Chassis.....	\$400		

All prices f. o. b. factory, Flint, Michigan

a Six in the price range of the four

he would suggest a carton of assorted sizes as a reserve stock.

Twenty-two merchants sold me twenty-five-watt lamps.

Eight sold me sizes varying from 40 to 60 watts.

Four sold me hundred-watt lamps.

One sold me a carton.

In other words one dealer out of fifty was doing what might be termed a 100 per cent job for this manufacturer.

Is the hardware merchant and the electrical dealer any different than any other merchant? Are electric bulbs different from other standard merchandise?

The Search For Salesmanship

NOT so long ago a company that manufactured and sold automobile accessories started out to test the salesmanship of garage men and accessory dealers. They took a shiny automobile and stripped it of the things these merchants sold. They started this machine across the country minus front and back bumpers, spotlight, wind-shield cleaner, trunk, and the many other adjuncts of motoring. They paraded the nudity of their transportation at every opportunity before merchants engaged in decorating such nudity; they bought gasoline and oil and stared longingly at the shiny bumpers and spotlights which winked at them. But they had to take it out in staring. At the end of the trip all the little auxiliary touches were still missing.

Now if it is true that only one in fifty dealers is doing a real job in retailing light, why are the sales of this company showing consistent increases? Why did its sales in the hundred-watt lamp jump from 12 million lamps in 1925 to 19 million in 1927. If my lamp-buying pilgrimage produced the true picture the merchant did not contribute salesmanship to the result. What did he contribute?

I think the primary thing he contributed was convenience. He provided merchandise that you and I wanted to buy and we bought in increasing quantities because, through advertising, we had found out about better illumination. We remembered, perhaps, that in 1908 better lighting as exemplified by the hundred-watt lamp cost us \$2 and only gave 80 candle power while the hundred-watt lamp we buy today costs us 35 cents and gives 134 candle power. That is an increase of 66 per cent in light output and a reduction of 83 per cent in price.

You and I were purchasing an economic bargain when we bought 19 million of these lamps in 1927 and we knew it was a bargain. But why didn't we take the bit in our teeth when it came to buying lamps by the carton?

The World War started a lot of things. It started thousands of people investing in bonds. It dealt a knockout punch to the filled shelf. Nearly every line of business learned, during post-war deflation, the sad lesson concerning the obese inventory. And you and I carried that lesson into our own homes. Today the home, like the manufacturing plant, keeps only enough material on hand to take care of current needs. It depends on quick transportation for future supplies. If you want an example of the extent to which hand-to-mouth buying in the home is creeping into modern marketing, take coffee. Only recently three wholesalers I know were forced to bring out a half-pound package of coffee to hold their

business. There is money to be saved by the manufacturer who considers this trend in retail buying. Let us take a manufacturer of popular-priced toilet soaps. Let us say that he packs each bar of soap in an individual package and then packs six bars

in an attractive box. Let us say that his sales volume is large enough to give him a bill of \$400,000 a year for the boxes to hold the six bars.

Suppose this manufacturer spends this sum on the theory that the public will buy the six-bar box because of its convenience. But suppose, while he labors through his sales promotion department and his distributors to educate the drug clerk and the grocery clerk and the department-

store clerk to sell a box of soap to the customer, none of the three is doing the job because, being closer to you and me than the manufacturer, they sense that you and I don't like to buy our soap that way.

Suppose the chain stores which sell his product dump a thousand bars on the counter and throw the boxes away. Suppose hotels and other concerns that use his product in a wholesale way discard the boxes also.

Isn't this \$400,000 a year being lost in distribution? Isn't it properly part of the eight billion dollars, which Julius Klein, of the Department of Commerce, in a recent article in NATION'S BUSINESS said was lost in this channel every year?

The Fate of the Merchant

NOW if the small merchant is such a poor salesman what is going to happen to him? If he is doing the kind of a selling job I have described for the electrical industry, one of the greatest and soundest in the country, what kind of a job is he doing for the cutlery manufacturer, the lawn mower manufacturer, and the radio, electric iron, refrigerator, paint, and lock manufacturer?

Which brings us to the proposition upon which so many manufacturers proceed—that the small merchant is the sales representative of the manufacturer.

You and I know that the corner merchant is not the manufacturer's representative. We know whose representative he is—he's yours and mine. We hold his future in our pocketbook. He doesn't sell to us, we buy from him. If he is ineffective it is because he has tried to serve 157 different manufacturers. If he has proven effective it is because he has realized that even though he is not a salesman, he can function as the engineer of a smooth-running piece of machinery which provides you and me with a convenient method of buying what we want to buy.

As I went from hardware store to drug store and from electrical store to chain



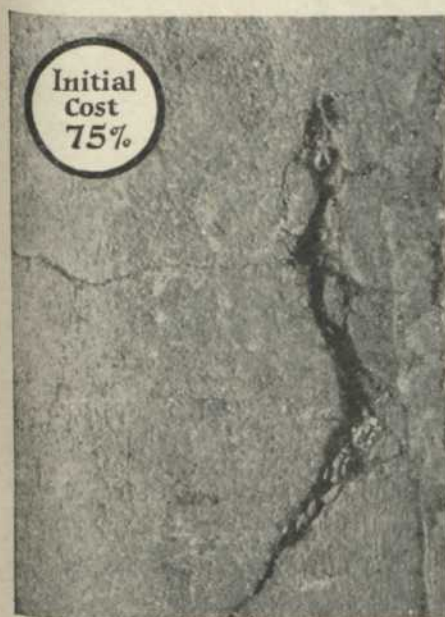
On the tab I read, "How are you fixed for light bulbs?"



As I backed away I knocked over a cardboard dingus that demanded of me, "How are you fixed for lamps?"

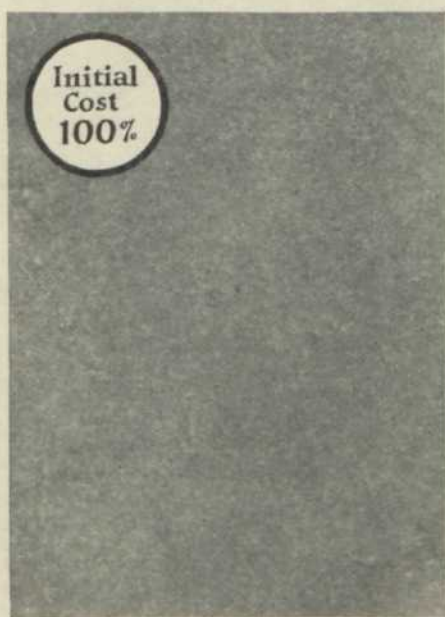
(Continued on page 194)

What's The Best Buy?



Initial
Cost
75%

Ordinary Concrete—Initially cheap—ultimately expensive.



Initial
Cost
100%

Masterbuilt Concrete—Highest return per dollar invested.



Initial
Cost
150%

High Priced Floorings—The excess cost not justified.

CHEAP floors soon become expensive floors because of repairs, replacements and delays in operations. Costly floors carry with them a 30% to 100% extra initial investment which pays no dividends.

Masterbuilt Concrete Floors, wearproof, dust-proof and waterproof, are as serviceable and as permanent for practically every use, as the most costly types—they keep repairs down to a minimum and represent an investment from which maximum returns can be obtained.

Naturally we are asked to prove this. The

evidence is so complete that such companies as Westinghouse, General Electric, Firestone, Parke-Davis, Northwestern Terra Cotta, The Pennsylvania Railroad, J. C. Penney Co., Chrysler, and scores of others equally progressive have turned to Masterbuilt Floors, profiting through substantial savings in both initial and final costs.

This evidence, **PLAIN TALK ABOUT CONCRETE FLOORS**, the survey of twenty years of floor history in representative American plants, proves that *the industrial floor which costs much more or much less than a Masterbuilt Floor is usually an unprofitable investment.*

Send for "Plain Talk About Concrete Floors," the book which discusses the profitable floor investment.



* After careful study had shown which floor was the profitable investment, the J. C. Penney Co. specified Masterbuilt Concrete Floors, at a saving estimated at \$85,000.

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P. M. BRUNER GRANITOID CO., Floor Contractors

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Cleveland, Ohio

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in 110 Cities

Factories at Cleveland, Ohio
Buffalo, N. Y., and Irvington, N. J.





The "Left-behinds"

A SHORT time ago a promising young business man, happily married and the father of two children, one seven and one nine, showed unmistakable signs of failing health. His doctor suspected the cause at once. A searching examination confirmed the doctor's suspicions. Tuberculosis. He was ordered to give up his business immediately and go to a sanatorium for proper treatment and care.

An uncle of the young man was greatly shocked when he heard the report. It didn't seem possible that it could be true. He asked for the evidence. They handed him x-ray photographs which showed that his nephew's lungs were seriously affected. The uncle asked permission to show the photographs to his own doctor.

When that doctor saw the photographs he said, "The right thing was done. Your nephew will probably get well. Now, what have you done for the man's family, especially the children? Have they been examined? You have no time to lose. While tuberculosis may not have made any serious inroads on their health as yet, it is hardly conceivable that his wife and children are entirely free from infection. An appearance

of ruddy health does not exclude the possibility of tuberculosis."

Every child who at any age has had prolonged exposure to tuberculosis should have an immediate, thorough physical examination, especially including the tuberculin tests and x-ray photographs, to determine whether or not active or latent disease is present. While tuberculosis usually attacks the lungs, it may attack any part of the body—eyes, ears, nose, throat, glands, joints, bones or vital organs.

It is now believed that many cases of tuberculosis in adults are the direct result of infection in childhood. The germs may have been taken into the body when the person was very young and have remained dormant for many years.

Boys and girls who are apparently healthy may have latent tuberculosis; without a sign of infection—no cough, no loss of weight, good color. But years later, when some extra strain is put upon the body, the symptoms appear—loss of weight, persistent cough, "indigestion" and fatigue.

When every child is properly fortified against the ravages of tuberculosis, the final victory over this deadly enemy will be in sight.

This year there will be a great forward step in the battle against tuberculosis. Efforts will be made to protect "the others"—the family and friends of the stricken person—even before the signs of tuberculosis show themselves, but while the disease may be latent.

Organizations for the prevention of tuberculosis—national, state and local—will warn people of the infection which may follow living in the same household or associating with one who is suffering from tuberculosis.



Their action-inspiring slogan, "Early discovery—Early recovery," will be displayed on billboards, car cards and banners all over the country.

By checking tuberculosis in its earliest stages, before the germs have had time to destroy bone or tissue, tens of thousands of lives can be saved. Send for the Metropolitan's booklet, 49-U—"Tuberculosis". It will be mailed free on request.

METROPOLITAN LIFE INSURANCE COMPANY—NEW YORK
Biggest in the World, More Assets, More Policyholders, More Insurance in force, More new Insurance each year

When writing to METROPOLITAN LIFE INSURANCE COMPANY please mention Nation's Business



Adoption of mechanical selling devices means that we have found another means to permit continued expansion of business and industry

Why Sell Goods Already Sold?

By WILLIAM F. MERRILL

President, Remington-Rand Business Service, Inc.

AN interruption to the even flow of merchandise which has been assuming dangerous proportions in this country during the past few years is the rising cost of distribution.

In many lines where sales resistance has been completely eliminated the increase has brought total costs to a point where they equal or approach the savings made possible by mass production and scientific management. As a consequence, some distributors have been driven to upward revision of prices, while others have averted this only by a decrease of sales effort, which is admittedly only a stop-gap—and a perilous one.

The industries where this situation has become acute probably do not represent as yet a dominant proportion of our total business, and if they could be considered alone their plight might be regarded as of no great national importance. The truth is, however, that the damming up of business in some channels is impeding the natural expansion of all others, so that we find producers everywhere discussing plans to limit production even where the obvious needs of potential consumers are still far short of being satisfied.

In view of this menace to our national prosperity the start now being made by various large sales organizations in the application of machinery to the final step in distribution—the delivery of the goods to the consumer—is an economic event of

the first magnitude. The actual progress already made in the mechanization of sales is considerable, but the development is chiefly significant, in my opinion, because of its relation to what has been called the American economic cycle.

Another Aid to Business

OTH^{ER} things being equal, the adoption of mechanical selling devices means that we have found another means to permit the continued expansion of business in this country on a scale comparable to the rate of growth maintained during the last 50 years.

When we look back over that period it is generally agreed that an economic system new in world history has been set up in the United States. Where older systems led to the concentration of wealth in the hands of the few and required for that purpose a progressive exploitation of the many, the American procedure has brought about an increasing distribution of the benefits of civilization. In defiance of many ancient traditions concerning the nature of profits and wages, it has set up standards of prosperity that would have been regarded as Utopian a hundred years ago. But this system, too, is progressive.

Many economists have discussed the American cycle of increasing production, decreasing costs and constantly rising wages as though it were a sort of squirrel cage, instead of a circle which is always widening. Foreigners seeking flaws in our

system have noted this, however, and they have pointed out that its weakness lay in the fact that this expansion is essential and cannot be halted.

When American business men have asserted that the factor of constancy is to be found in this very essential of continuous expansion, they have retorted that there must be a natural limit. Eventually, they have said, we shall reach a saturation point at which economies must find rock bottom, after which the cost of competition will compel higher prices, lower wages and lessened distribution until the system collapses of its own weight.

Except for those industries which had not succeeded in synchronizing themselves with the American cycle, and certain temporary interruptions in the form of depressions caused by attempts to go ahead too rapidly, this argument was a purely theoretical one until distribution costs began to rise.

Stabilized by Progress

IN half a century there had been no other indication whatsoever of an inherent weakness in our economic system. On the contrary, every forward step which under earlier conceptions of well-being should have made our system more erratic and uncertain has had only the effect of stabilizing it and extending prosperity to an ever widening proportion of our population.

Automatic merchandising is chiefly im-

portant, therefore, because it promises to eliminate a barrier to this process of expansion. In some instances, as we have seen, the effect of this barrier has been to reduce production, not because the goods could not be used but because it cost too much to distribute them.

The reason for these high costs is apparent when we look at distribution in the light of what the machine has done for manufacturing, for selling by national advertising, and for management by mechanical records. Compared to the efficiency of these functions of business, it has been growing increasingly obvious that our methods of distribution are out of date. At the point of delivery men and women are still performing the same operations that they did a century ago, and in much the same way.

Meanwhile the machine as applied to mass production and mass selling through advertising has carried price levels and earning power to a point where the market is actually beyond the service capacity of the clerk in many standardized commodities, as definitely as the demand for low-priced automobiles is beyond the capacity of hand workers to produce them.

In principle the distributive situation we are facing today is an exact parallel to that which gave us mass production in manufacturing, and the remedy also is the same—to design machinery to perform repetitive operations more economically than they can be performed by human beings. This is what automatic merchandising promises to do.

There is one sharp distinction, however, which makes automatic vending a necessity where mass production was merely desirable. In the present instance we are geared up to and actually are turning out a volume of merchandise which cannot be handled by the clerk, and if we do not find a means of delivering it quickly and economically the result can be nothing short of stagnation.

When Hands Fail

THE inability of a man to do as much unaided as he can do with machinery is painfully apparent today in all of the great chain and department stores, where customers seeking standardized merchandise already sold to them by advertising are constantly walking out because the clerks cannot take care of their wants fast enough. This is causing no small amount of worry in merchandising centers, but it is only one aspect of the national situation. An even more important one is to be found in the fact that when the clerk does succeed in waiting on such a customer the merchandise is carrying a double cost—that of the advertising which sold it and that of the clerk who makes the delivery.

It may be argued that the customer who walks out of one store will walk into another, and that the sale is recoverable

in the long run. But money paid out twice for a single economic service represents a definite loss, and we cannot get away from the fact that the public, paying the bill, will have just so much less to expend for other purchases. For this reason the advent of the machine in distribution may be expected to influence before long the production and sale of everything we make, even of articles which in the present state of their development and the state of the market for them are beyond any conceivable automatic selling device.

The obvious prospects for automatic merchandising now cover a wide range of tobacco products, toilet accessories, food and haberdashery—small articles in which the element of choice is determined by competitive advertising and not by personal salesmanship.

By reducing the prices of these items—a reduction that may be left safely to competition—machine vending will turn back to the buyer, so to speak, that portion of his income now being used to pay for an unnecessary and therefore an uneconomic service. The saving may be infinitesimal to the individual, but in the mass it means a wave of increased buying power certain to benefit every industry, no matter how far removed from the coin-in-the-slot-machine.

When the astonishing expansion of machine vending during the past few years is considered in the light of these potentials, the coin-in-the-slot device becomes as inevitable as an automatic drill, and its

MASS selling must come as the natural complement of mass production. We are turning out a volume of merchandise which cannot be handled by the clerk and if we can not find a means of delivering it quickly the result can be nothing short of stagnation. The machine must come to the aid of distribution, especially in the vending of those standard articles whose market has already been created through advertising

future as certain as mass production. It is conceivable also that it will have as revolutionary an effect on present merchandising methods as the machine had on manufacturing. Some of these changes already have been anticipated by the great tobacco and drug chains, which have been branching out steadily into new fields. Others are in sight. Groupings of merchandise furnishing the maximum in profit and service with an all-clerk system may be greatly changed by the development of machine vending.

It has been suggested by Harry W. Alexander, a leading automatic merchandising expert, for example, that retail es-

tablishments heretofore devoted exclusively to the sale of men's clothing may increase their revenues by the use of machines to sell collars, handkerchiefs, garters and possibly toilet accessories. Machines already have been developed for the sale of these products, and there are others on the market handling wash cloths and soap, tooth brushes and similar toilet articles.

Coin-in-the-Slot Gasoline

OTHER interesting recent developments include coin-operated gasoline filling stations, washing machines for apartment houses, beverage-dispensing apparatus, and any number of candy selling machines.

My own company is not interested in the manufacture or distribution of any of this equipment, and I myself have no detailed technical knowledge of automatic selling machinery. As a manufacturer of business equipment requiring accuracy in the performance of highly complicated operations, however, I have been interested in observing a widespread fallacy concerning the reason for the present development of automatic merchandising. This manifests itself in the repeated statement that vending machines must be made fool-proof, a statement evidently based on the belief that the present development of machine vending is an outgrowth of the familiar and not very popular penny-in-the-slot machine.

The obvious fact is that the development now under way is an outgrowth of advertising and related mass selling effort, and that it has no economic relation whatsoever with the penny-in-the-slot machine. On the contrary, the economic tradition surrounding this machine and the public lack of faith in it represent actual obstructions, even though only temporary, to the general adoption of machine vending.

The tradition is that nobody has ever made any money in the long run out of slot machines, and this may have a tendency to place an undue emphasis on the initial cost of equipment, and to follow or accept the limitations imposed by the penny.

From the mechanical viewpoint the design of machines to do their work accurately does not seem to present any great difficulties, and several recent large-scale consolidations would seem to indicate that most of the problems already have been solved. It may be taken for granted also that the great tobacco and drug chains would hardly have placed orders for 100,000 batteries of the so-called "talking robots," as has been officially announced, without convincing tests of their serviceability. These machines sell two packs of cigarets for a quarter and by means of a phonograph record thank the customer and repeat the slogan of the manufacturer.

Where difficulty is far more likely to



Pontiac Sixes cut \$21,760 from the transportation expense of this company in one year

For years a prominent New England firm* had maintained a fleet of 35 salesmen's cars. Many different makes had been tried. The cost per mile seemed unduly high. It was decided to investigate—to find, if possible, a car that would lower this excessive transportation expense at no sacrifice of sales efficiency, and standardize upon that make.

The evidence of accurate records pointed to the Pontiac Six. The company purchased 32 Pontiacs and reduced its costs in a single year \$21,760—a sum nearly equivalent to the entire purchase price of its new fleet.

Such records show what Pontiac economy means to modern business fleet operation. They illustrate vividly the importance of investigating the cost reduction which the New Pontiac Big Six is ready to bring to your company—because today's Pontiac includes a great many efficiency features not yet developed when the above-mentioned fleet was purchased.

*Name given on request.

The New Pontiac Big Six is bigger, sturdier and more powerful. Its new, larger L-head engine is built for long life and smooth, trouble-free performance. Its rugged, durable bodies by Fisher have new, big car, easy riding qualities as well as big car style and beauty. Its new, enclosed, internal-expanding, noiseless four-wheel brakes, completely protected against snow, rain and mud—its larger cross-flow radiator, assuring correct cooling in all seasons—and many other new features, all have a share in the business of cutting your fleet expense.

Write the Fleet Department at the factory for our Fleet Users' Plan and the special book for business executives "Experiences of Various Companies in Handling Automobiles with Salesmen." And ask the nearest Oakland-Pontiac dealer for a demonstration of the New Pontiac Big Six.

OAKLAND MOTOR CAR CO., Pontiac, Mich.

THE NEW
PONTIAC
PRODUCT OF
GENERAL MOTORS
BIG SIX-\$745

When buying a New PONTIAC Big Six please mention Nation's Business to the dealer

crop up in the machine-vending development is in the merchandising plan, or lack of plan. One group of middle-western investors is reported to have lost \$600,000 in an automatic vending venture chiefly because the attempt was made to sell higher-priced merchandise on the penny-in-the-slot basis. The machines used were unattractive, they were placed in out-of-the-way corners, and no estimate was made in advance of the cost of service. The cost of service ate up all the profits. The group is now getting a satisfactory return following a merchandising survey.

It is reported that the big tobacco chains now interested in machine vending are looking forward to the time when 60 per cent of their present business will be handled by coin-in-the-slot equipment. Meantime, one of the largest of the recent vending machine consolidations has virtually completed preliminary experiments, both as to mechanical efficiency and customer reaction, looking to the establishment of a new chain of stores in which all the sales will be made by machine. The set up of these stores, as at present constituted, will require the services of two clerks, or service men, and will call for locations in congested areas where there is a fairly heavy flow of potential buyers at all hours.

It is proposed to operate the units on a twenty-four-hour basis, 365 days a year. The range of merchandise already available and for which selling machinery has been developed is larger both as to the number of lines and the choice within lines than can be accommodated in the

same floor area when delivery is made by means of clerks.

Apprehension has been voiced in some quarters as to the fate of the sales clerk if automatic merchandising is carried to its logical ultimate development. This is natural, perhaps, but I doubt if there is any more basis for the fear of widespread unemployment than there was in the so-called machine menace in production and in the control of business. The fact is that we are still thinking in terms of the individual, although the bulk of all present-day business is done on a group or cooperative basis.

New Jobs Will Be Created

THE sales clerk who cannot make deliveries fast enough to accommodate the buyers created by advertising and who adds more to the cost of the product than the service he furnishes is worth in a position similar to that occupied by the all-round machine craftsman 25 to 50 years ago. Whether we like it or not he has become an economic burden, and unquestionably his own advancement is limited by that fact.

It is conceivable that we may have enough machines in operation eventually to require the servicing efforts of all the clerks now trying to combine the sales and delivery functions, and falling short in both. New and more productive jobs will be created in other ways by the development of automatic merchandising, unless history fails to repeat and our system has run to its end.

For nearly 30 years I have been watch-

ing the displacement of office workers by machinery for the control and management of business and the keeping of its records. The process has been one of continuing subdivision, each step in which has called at first for the employment of more workers until the development of systems and machinery to give greater production per man. In this field and in that of factory production we whose business it is to devise machines and methods feel that in spite of what has been accomplished the opportunities for further progress are greater than ever, yet the so-called white collar worker has been steadily increasing in numbers.

In office as well as factory the ultimate effect of the machine, increasing per capita production, is to widen markets through lower costs and prices so that more men are needed to handle the expanded business.

The effect of automatic vending equipment on the sales clerk who really has something to contribute to salesmanship should therefore be to increase rather than to limit his opportunities. In the case of the clerk who has nothing to contribute in this respect, he cannot be any worse off than at present, and the change may compel him to find an occupation more suited to whatever his abilities may be.

No other development in our commercial history has ever grown so rapidly as automatic merchandising, yet I doubt whether any acceleration of its rate of growth can be sufficient to cause any serious disturbance in the way of national unemployment.

A Forward View of Congress

By FRED DeWITT SHELTON

THE relative inaction of the closing short session of the Seventieth Congress may cause sight to be lost of the really substantial results accomplished in the first session of that Congress. The record, which shows 1,037 public laws enacted, includes such important measures as:

The Revenue Act of 1928, reducing the corporation income tax and repealing the automobile sales tax.

The Merchant Marine Act of 1928, providing material inducements for the development of the merchant marine under private operation.

The Postal Act of 1928 giving substantial reductions in rates.

The Mississippi Flood Control Act of 1928, providing a comprehensive plan that should prevent future flood catastrophes.

The Boulder Dam Act of 1928 for development of water power and flood control of the Colorado River.

The Cruiser Construction Act of 1929 authorizing 15 naval cruisers and one aircraft carrier.

Ratification by the Senate of the Kellogg-Briand treaty for the renunciation of war.

Authorization of surveys looking to a new canal across Nicaragua or Panama.

Return of alien property sequestered during the World War.

Expansion of the government owned and operated Inland Waterways Corporation operating barges on the Mississippi.

It is true that a great number of much debated questions still await the will of Congress, but it can be said that many of these are not of a highly emergency nature. Most of them will come up in the new Congress, some will pass, and some will persist as proposals not reaching the stage of legislation. Comfort can be gleaned from the fact that prolonged consideration of bills usually results in improved legislation in the end.

The prevailing attitude of congressional statesmen seems to be one of stock taking. Following the enactment of basic legislation such as is mentioned above there is now the job of plugging the leaks

—amending the laws in cases where experience reveals defects.

Extra Session

AN extra session of Congress for action on agricultural problems and tariff legislation has been called by President Hoover for April 15. The Agricultural Committee of the House will have a farm bill ready on that date.

The Ways and Means Committee probably will have a tariff bill ready about April 20. Subcommittees are at work now preparing the schedules of tariff rates. The plan is to limit revision as much as possible rather than to make a thoroughgoing revision of all rates. Preferred treatment will be given to agricultural rates.

It is the purpose of leaders in Congress to confine the extra session to these two subjects with one or two exceptions. Therefore, the House may postpone full organization of its committees until the December session, thereby shutting out ef-

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Typewriter Billing Machine

The only machine that writes and computes the complete invoice in one operation.

With any other method the bill must be figured first, then copied.

This Burroughs types the bill, computes and prints the amount of the item, totals the items, computes and subtracts discounts and by a single key depression prints the net amount of the bill.

Important Burroughs Advantages

1. Direct Multiplication (not repeated addition) in computing extensions, which are printed by depression of only one key.
2. Automatic alignment of figures — dollars under dollars, cents under cents.
3. Automatic accumulation of three or more totals.
4. ONE key depression prints results and totals (no copying from dials).
5. Electric return of carriage.
6. Direct Subtraction of freight, commission or other charges.
7. Errors in key depressions may be corrected before amount is printed or added by depressing only one key.
8. Convenient and compact machine keyboard.
9. Fractions handled in price and quantity.
10. Electrically operated.
11. Full cent key takes the full cent when the fraction in answer is one half cent or over.

forts to foist other matters before the Congress at this time.

Shipping

IN preparation for a new era of ocean shipping Congress is likely to do something to remedy present deficiencies. Certain amendments of the Merchant Marine Act of 1928 may be made to hasten return of shipping to private enterprise and to promote the success of shipping lines now in operation.

Enactment of the Hague Rules for uniform ocean bills of lading may finally be reached.

Revision of navigation laws may well be attempted.

New Administration Policies

THE influence of President Hoover will be great. The recommendations he emphasized in his inaugural address will be marked for special treatment this year. Serious attention will be given to proposals respecting law enforcement and the administration of justice through the federal courts.

New impetus has been given to reorganization of government departments. No wholesale reallocation will be attempted, but a systematic effort will be started that may result in gradual improvement of the administrative machinery of our Federal Government. Possibly some progress will be made by executive order to the extent that the President has power to proceed in that way.

An earnest attempt will be made to

merge agencies dealing with ex-service men of all wars. A proposal to centralize the United States Veterans Bureau, the Pension Bureau and the national soldiers' homes will be put forward in this Congress.

America's place in the new world economic structure will be pictured more clearly than in the past. This may lead to legislation affecting our foreign trade, both export and import; and also progressive steps to make happier relations with all countries of the world.

Foreign Trade

SOME questions of foreign trade to be considered are:

Legal sanction of cooperative associations to buy raw materials abroad. This is a subject in which President Hoover has taken much interest.

Further development of the corps of commercial attaches, and trade commissions in the search for foreign markets.

Repeal of present restrictions of imports of tobacco which prevent negotiation of a parcel-post convention with Cuba.

Action on the Convention for the Prohibition of Import and Export Restriction now in the hands of the Senate Foreign Relations Committee.

Taxation

ONCE more the question of revenue laws and tax rates will come up. It is too early to discern the outcome of those discussions. Growth of the country and a high

level of prosperity are causing revenues under the present rates in excess of needs of the present governmental program.

A clash will occur, however, between those who want lower taxes and those who want a liberal policy of financing new national projects from the public treasury.

The question will persist, also, as to whether the public debt should be paid off faster than required by law, as has been the practice in recent years, or should such surplus revenues be used for reducing tax rates.

The Budget

APPROPRIATIONS for the year ending June 30, 1930, total \$4,663,554,342, which is \$35,000,000 more than for the current year. Subtracting from this the \$841,905,220 expected from postal receipts, there remains a net total of \$3,821,649,122. This is \$8,000,000 more than the budget estimates submitted to Congress. For the first time total congressional appropriations have exceeded the budgetary requests.

There is little prospect of future reduction of federal appropriations.

Railway Consolidations

COMMITTEES of both the Senate and House reported bills to facilitate unification of railway systems, but final action by Congress was not reached. Thus the new Congress will have this long-drawn-out problem to deal with. It is entirely possible that merger plans may be consummated that will lessen the demand for

(Continued on page 236)

THE CABINET OF THE NEW ADMINISTRATION



Henry L. Stimson
Secretary of State



Andrew W. Mellon
Secretary of the Treasury



James W. Good
Secretary of War



William D. Mitchell
Attorney General



Walter F. Brown
Postmaster General



Charles F. Adams
Secretary of the Navy



Ray Lyman Wilbur
Secretary of the Interior



Arthur M. Hyde
Secretary of Agriculture



Robert P. Lamont
Secretary of Commerce



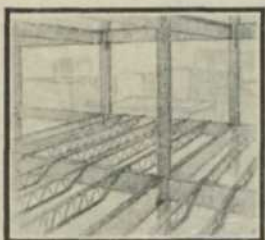
James J. Davis
Secretary of Labor

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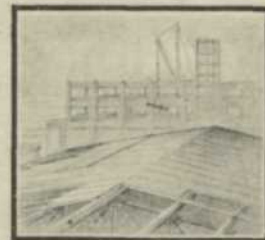


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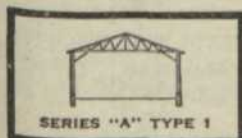


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fireproof, light in weight and low
in cost. Insulated to any degree
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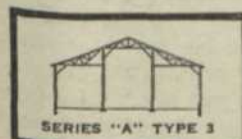
Complete Steel Buildings from Standardized Stock Units in Various Types and Sizes



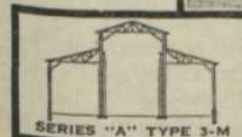
SERIES "A" TYPE 1



SERIES "A" TYPE 2



SERIES "A" TYPE 3



SERIES "A" TYPE 3-M



SERIES "A" TYPE 4

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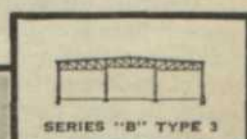
Factories in Youngstown, Cleveland, Detroit, Los Angeles and Japan; The Truscon Laboratories, Detroit, Michigan; Foreign Trade Division, 90 West St., New York; The Trussed Concrete Steel Company of Canada, Ltd., Walkerville, Ont.



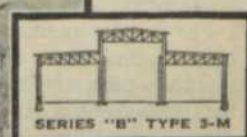
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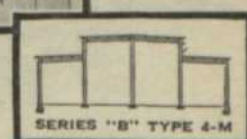
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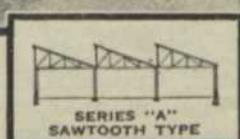
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SERIES "B" TYPE 3-M



SERIES "B" TYPE 4-M

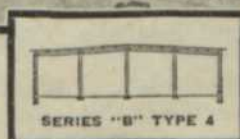


SERIES "A"
SAWTOOTH TYPE

THE SECRET



OF SUCCESS



SERIES "B" TYPE 4

The consumer has become precious. You have him to-day but tomorrow someone may lure him away



Why Should Anyone Hunt a Job?

By H. C. JAMES

Illustrations by D'Arcy

I LIVE in Hollywood, where there are many moving picture folks, and employment in that industry is neither plentiful nor steady. When a picture worker's status is a little indefinite, we say of him, "He's in the research department of the movies"—meaning that he is hunting a job.

There are about 8,000 movie extras in Hollywood, and not more than 500 of them find daily work at the central casting office.

The movies are simply one conspicuous example of the waste of job-hunting. In the past 10 years, about 1,500,000 workers have been dropped from factory, railroad and other employment as a result of mechanization and changes of demand. In some way, each fellow figuring it out for himself, they have gone into other work.

Many new gasoline service stations have opened, there are more beauty parlors than formerly, the number of life insurance salesmen has increased—it is suggested that these displaced folks have found work in such fields.

"All parasite occupations!" declared a critic, the other day.

"I wonder," said Dr. Julius Klein, of the Department of Commerce, to this critic, "whether you'd care to say so to the 1,250,000 chauffeurs, garage mechanics

and service station men who make up the largest group of these new job holders!"

Now, it is comforting to know that, when Bill Johnson loses his job at the wagon works, there is another job waiting for him at the gasoline station, or with the taxi company. We read these figures, subtract 1,250,000 men from factories and add 1,250,000 men to automotive industry, and feel that the country is safe.

However, the figures say nothing about the 250,000 fellows who did not connect in some new industry. Nor do they tell us anything about the large number of misfits at present connected with the automotive service trades.

Some Room for Improvement

IT happens that, lately, I have come pretty close to the gasoline service station business in Southern California. I find that there are too many inefficient service stations, and that about three out of four proprietors, and perhaps an equal proportion of the help, are untrained, and all at sea.

The service station has great possibilities. In my opinion, it is an entirely new type of merchandising center, which will ultimately sell a wide range of goods besides motor car necessities. And sooner or later the *real* service station will have an official status.

If you ride on a railroad train, it is inspected. If you take passage on a boat, it is inspected. If you fly in a plane or ride in a motorbus, or travel by any means of transportation except your own automobile, Uncle Sam or the state government inspects that transportation to insure your safety.

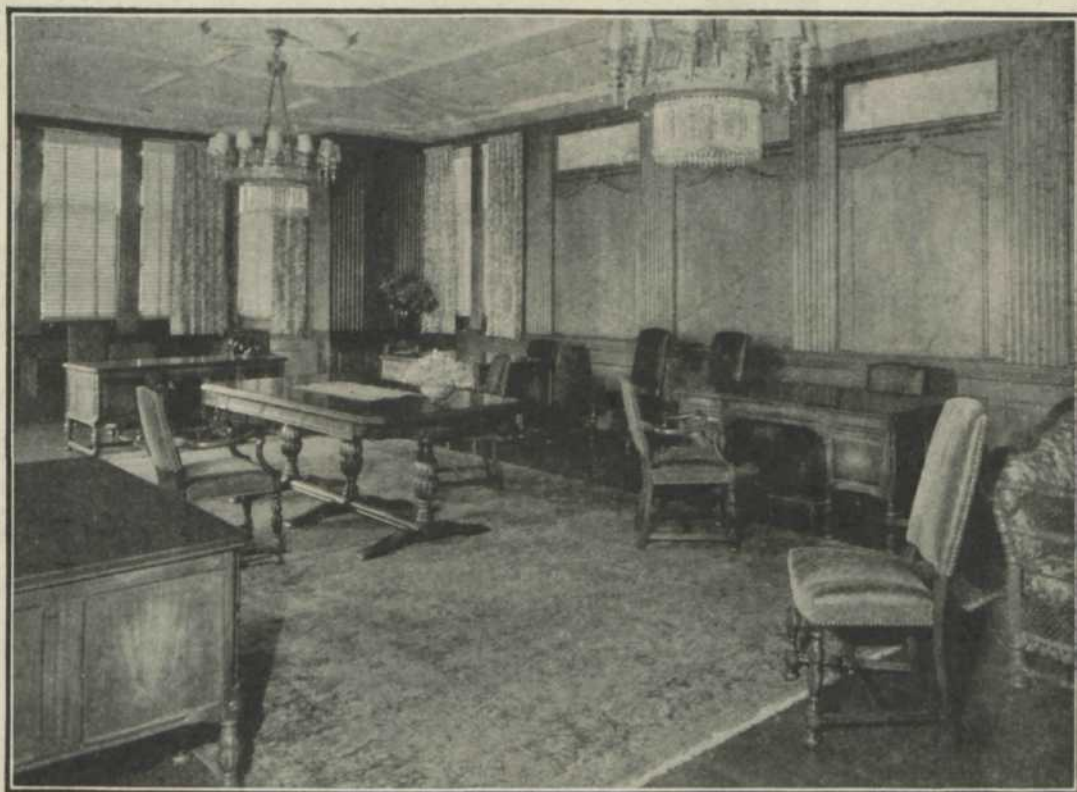
But your own car, and the 22,000,000 other private automobiles on the highways of this country are inspected by nobody but you and your neighbors. They are driven until they break down with only casual attention to lubrication, tightening, wheel alignment and repairs.

Mechanical failures undoubtedly play a large part in the big motor accident figures, and sooner or later the casualty list will force some sort of official supervision, and then you will pay a real service station a yearly fee to lubricate, tighten and line up your car every 500 miles. The state will require it, the service station will be inspected for efficiency, and you will save money, because your car will seldom go into the shop for the overhauls you now think necessary, and find so costly.

Looking at the present service station this way, I find that not more than one owner and employe in four measures up to the future ahead of his business.

And if so many untrained fellows have

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THE little-thought-of jewels hidden in a master time piece contribute nought to the ornate, richly graven case. But without their friction minimizing function the time piece is of little value.

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This Your Insurance



The most successful job hunter is often the glib fellow who cannot stick to the jobs that he gets

managed to get such a doubtful footing in a new field, after losing their factory or railroad jobs, how many there must be who did not connect even to this extent!

The figures are not good. The shifting of men and women from one vocation to another does not take care of itself, there is entirely too much cut-and-try in the process. We can save so many billions of dollars by directing this shift that it is one of the most fascinating possibilities just ahead of us.

Moreover it looks like the next big measuring job ahead of Man, the measuring animal. Man has been called so many kinds of animal—a tool-using animal, a clothes-wearing animal, a thinking animal, that he is beginning to resent it—and pass laws against it.

Let us ask his pardon, and consider him as a measuring animal, and see how he can settle this wasteful excitement of job hunting.

We Measure Always

MAN has had to measure since he first picked up a stone and gauged the distance to a bird on a limb. Without constant measurements, he could not long survive. His body, largely water, is limited to a mile below the surface of the earth and not three miles above it, for livelihood. He can live a few minutes without air, a few days without water, a few weeks without food—and not many years without appreciation of some kind. Recent discoveries in astro-physics indicate that there is matter many hundreds of times rarer than the rarest gas on earth, and also matter 1,000 times heavier than platinum.

Man is delicately balanced here on the skin of his globe in a universe of that kind, and a few degrees, either this way or that would mean his annihilation.

So he must measure or die and, in the 150 years since Watt's steam engines lost power because machinists had not yet worked to finer tolerances than one-sixteenth inch, to the present, when dimensions of one-billionth inch are determined in the photo-electric cells of the "talkies," Man has made great progress as a measuring worm.

Today, if Jim and Jenny Jones find themselves displaced at the factory, office or store where they have been working, they go out into the world and find a new job—perhaps a new occupation. Jim and

Jenny have been awake to this hazard for a dozen years, though the startled economist is just hearing about it. They have taken some precautions to offset it by seeking jobs with big corporations, capable of shifting them from one department to another as the work changed. Jim and Jenny have to that extent measured the situation, and applied what was in earlier times and agricultural conditions, a "folk remedy."

Even while the economists were questioning the "trust," Jim and Jenny found that the big corporation was, in this way, a pretty good thing.

To that extent, maybe the new job has been started.

In another way, it was started 20 odd years ago, when Taylor, Emerson, Gilbreth and the efficiency experts made

their production studies, to see how much work there was in Jim and Jenny, and how to enable them to deliver it to the best advantage.

When these men undertook their stopwatch and slow motion picture observations it was widely believed among employers that Jim and Jenny could do little more work and in consequence were limited to wages that we now consider quaint. The three dollars a day paid to a good mechanic in the nineties is today actually part of the literary atmosphere of the mauve decade.

The efficiency experts demonstrated that there was so much excess productive power in workers, and our factory system has been expanded to such a degree on their discoveries, that today we are wondering what to do with all the goods.

And Now We Gauge Markets

THIS surplus of goods has, in turn, led us into a new measuring era—that of "markets." Today, we are applying the foot rule to people as consumers of goods, and to the markets where they supply their requirements.

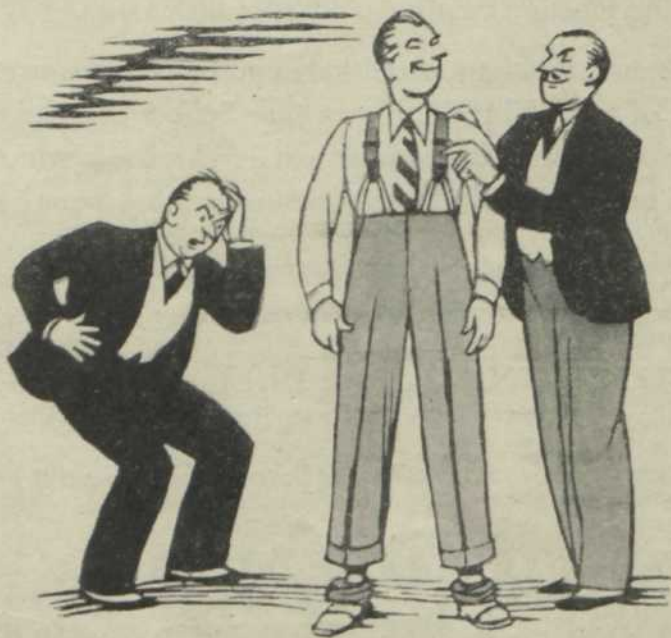
Harvey, Hunter and other famous physiologists discovered a few things about human anatomy, but nothing to speak of compared with what the anxious market counsellors are discovering these days. These market men have their microscopes concentrated on every part of the animal, Man. Long reports are made on his appetite, his waistline, his head and feet. Every part of him from crown to soles is charted as to consuming capacity. Figuratively speaking, Man is stuck full of red, blue and yellow pins, each denoting something important in marketing.

Take his stomach, as an illustration. It holds a couple of pints, two or three times a day. Baker and meat packer are in rivalry to see which shall occupy a tiny portion of that space when it

is filled at dinner—and the bakers dispute over whether it shall be bread or cake. The canner and the farmer are in competition—shall it have fresh or tinned vegetables? Fruit growers are battling to gain an advantage over each other in fresh, dried, tinned and preserved fruits, and also fruit juices. Pie and ice cream are in mortal combat.

Well might the consumer protest, "Who's stomach is this, anyway?"

So with his corporeal frame. Various industries battle to see which shall array him like Solomon; the belt manufacturer leads him to abandon suspenders, and while the suspender manufacturer is regaining his old place, lo! Man (college edition) leaves off garters and lets



While the suspender manufacturer is regaining his old place, lo! Man discards garters and lets his socks fall

Note Chicago's New Buildings

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are of
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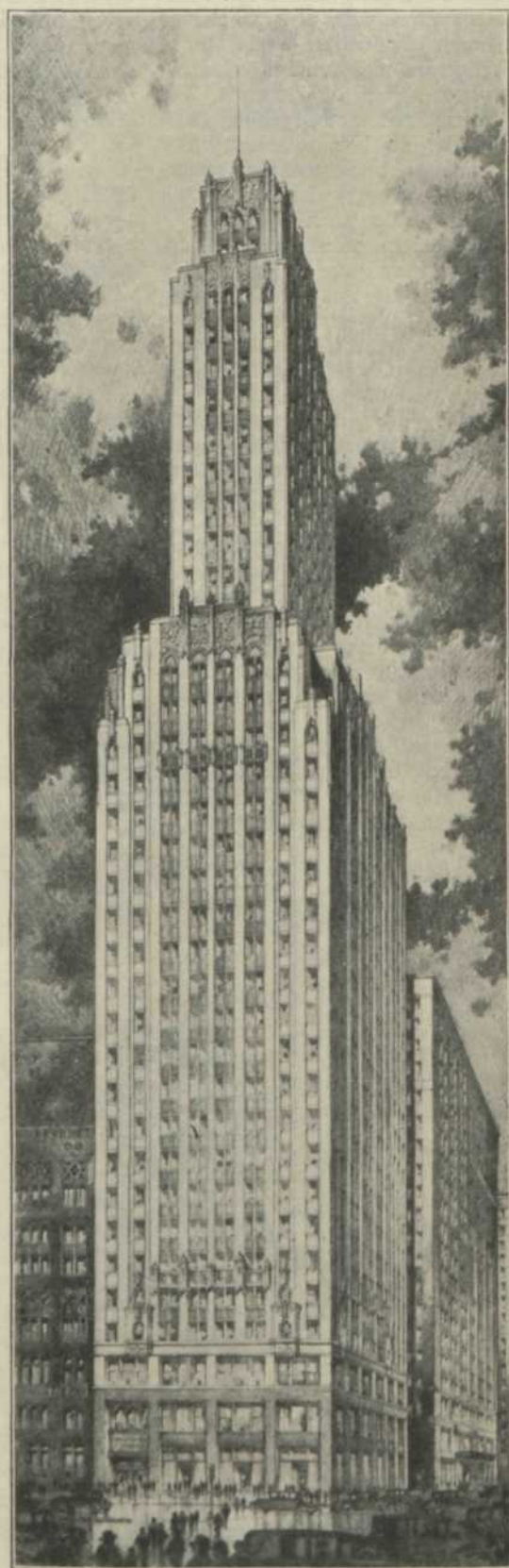


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General Offices: Bedford, Indiana

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his socks come tumbling down. And as for Woman and her 1929 clothes, it seems to be a question whether the cosmetic manufacturer or the jewel-cutter shall garb her.

It seems to me that, where a few women in other times were able to change clothes frequently for the admiration of other women and incidentally the baiting of Man, now a multitude does it. The idea is carried out in everything, from the barber shop to the auto laundry. For Woman is the great customer for Appearance, and that is every day becoming a more and more valuable commodity.

These measurements of people, to determine what they consume, how much, who is to supply it, and what else they might be persuaded to consume are today the biggest things in business management, just as the efficiency measurements were in their period.

In efficiency days, the business man who got the best measurements won out over his competitors. In these days of scientific marketing, the best measurements are winning out.

The consumer has suddenly become precious. Malthus feared that, about our own time, there would be too many of them for the food supply. On the contrary, our problem is to stretch the consumer's stomach over the food, and pull his legs and arms out to fit the oversupply of clothes. As a manufacturer or merchant, you go to bed tonight knowing that a certain number of consumers patronize you. But by tomorrow night somebody may have lured them all away.

This interest in the consumer leads Business to ask, "How much money has he got?" The more money he has, the more he can consume, and the better customer he will be.

Even the consumer has to earn money some way, and this leads to the next big measuring job, toward which I have been steering all the time, though you may have thought I was merely writing for exercise. I will show you.

If space in the consumer's stomach is so precious today, from the food manufacturer's viewpoint, and if that space becomes valuable only to the degree that the consumer's pocketbook is filled, then how silly to allow the pocketbook to shrink through the chances and changes of job hunting!

The consumer who finds himself out of work, either as a result of changes in the business that has given him employment, or through a general business depression, might be compared to a crab shedding its old and outgrown shell.

With the crab, this means a bigger and better shell—if it survives. But the crab's enemies multiply at shedding time.

With the man or woman thrown out onto the street to relocate in a new field, the results are about the same. Many survive, and find bigger and better jobs. But many also fail to fit themselves into the scheme of things again, although there may be a bigger and better job right around the corner.

A Different Proposition

THERE always is a bigger and better job, ultimately. For nothing is more certain than that changes in business which displace workers for the time being will eventually create more work, at better wages. But waiting until the changes are completed, or finding a new place in another field, is different.

Nature loses a good many crabs in the shedding process, but then Nature has plenty of crabs.

Business undoubtedly loses many good consumers in this transition process—and Business is beginning to wake up to the fact that it hasn't one consumer to spare. As an old prospector put it, after witnessing much wastefulness in the wilderness, "If Nature didn't have so much material, she would have a darn hard time making a living!"

The most successful job hunter, any

puts a permanent wave of parsimony into good consumers.

"Unemployment" has been discussed chiefly in terms of wage earners, and the various arguments proved or disproved by statistics of factory employment. As a matter of fact, it is a crisis arising in the lives of everybody these days. It must be met by the professional man, salaried worker, merchant, small manufacturer, and even the well paid corporation executive. They are all Grade A consumers. Better placing of many brain workers, or better pay in such fields as teaching, would make an addition to the consuming power of the country that every biscuit manufacturer and service station owner would delight to tap. The man with a job in one hand and money in the other makes a pleasant picture and the bigger the job the more money he will have.

From the study of consumers to determine how many units of peach pie can be consumed by each and where to put the peach pie so that it will be elected there is a logical step in determining how many units of production there are in a producer, and where those units are needed.

Already, Business recognizes that the consumer cannot buy unless he has money, and that few consumers have money unless they have work. The statistics of unemployment are being analyzed, and there is talk of government work to tide over depressions.

The producer and consumer are, in fact, the same persons. Jim and Jenny, working in the factory, are making something for themselves as surely as though they were a colonial couple in the self-contained farm home of 200 years ago. Only, by the complexities of the modern system, they make something that is sold in Argentina, and get in return commodities from Minnesota, Michigan, Montana and Massachusetts. The modern system doesn't change their status a bit—it simply multiplies their producing and their consuming capacity.

Well, here is a wicked waste, job hunting. Like the wicked wastes of badly planned factory processes, and wrongly placed retail stores, it will ultimately attract Man the Measurer. Then nobody will ever hunt a job because as fast as he gets done with one kind of work, no longer needed, he will be directed to the various new occupations that are coming into existence, and which are within his experience and abilities.

He will be told where to go—and so will she.

Not merely the wage earners who attract the most attention when there is unemployment, but the brain workers of every kind, who attract no attention at

(Continued on page 128)



The man with a job in one hand and money in the other makes a pleasant picture and the bigger the job the more money

employment manager will tell you, is often a glib fellow who cannot fill or will not stick to the jobs he lands. The best workers are often so shy in seeking new employment that it takes great tact to discover their real ability, as the employment manager will tell you also.

Loss of work means an immediate cutting down of expenditure—that is, consumption. Many times the long period of adjustment, with its suspense and fear,

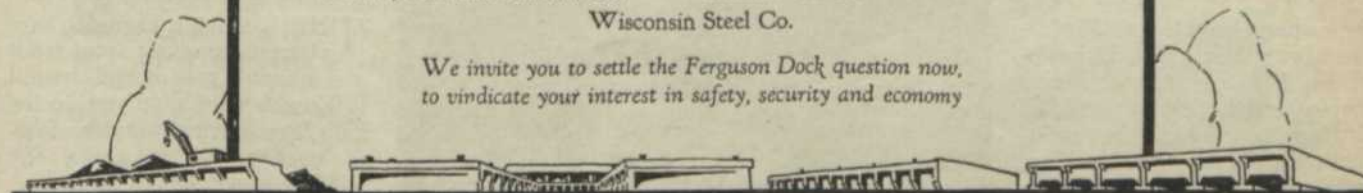


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Detroit Iron and Steel Co.	Wm. Cramp & Co.
The Cleveland Cliffs Iron Co.	Havana Docks Corporation
City of Cleveland	City of Norfolk
C. & B. Navigation Co.	Pennsylvania Railroad Co.
D. & C. Navigation Co.	Canton Co. of Baltimore
State of California	City of St. Petersburg
City of Houston, Texas	Gulf Refining Co.
Kelly Island Lime & Transport Co.	City of Detroit
Bethlehem Steel Co.	Anaconda Copper Co.
Chester Shipbuilding & Dry Dock Co.	Houston Compress Co.
Baltimore Dry Dock & Steamship Co.	Stewart Sand Co. of Kansas City
Sun Shipbuilding Co.	Groton Iron Work Co.
Virginia Shipbuilding Corporation	Groton, Conn.
Peerless-Egyptian Cement Co.	Michigan Amonia Works of Detroit
City of Wyandotte, Mich.	Anderson-Clayton Co. of Houston
Sanford & Brooks Co.	Mapes & Ferdon, Ltd.
of Baltimore, Md.	Nicholson Terminal & Dock Co.
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PHOTO BY H. L. BRADLEY,
BAR HARBOR, ME.

Maine Discovers Its Heritage

By JOHN IHLDER

Consultant on Community Development and Housing

THE people of Maine have decided to take stock. Like those of every other state, they have a general idea of what their state contains, of what its resources are.

But instead of a general idea they want knowledge. The basis of knowledge is facts. So they want facts. They are seeking the answer to a double-barrelled question, "Which of our resources are underdeveloped, and how can we develop them so as to best supplement what we already are doing?"

The people of other states have asked themselves part of the Maine question, but not all of it. The people of Michigan have asked themselves about their land resources, New Yorkers about their abandoned farms, Virginians about their industrial possibilities. But the State of Maine people were the first to say:

"Here is our inheritance, an inheritance of many possibilities. Some we are developing, some we are neglecting. Some we are developing in a way to interfere with others. If we were a business corporation instead of a political corporation, we would have found out long ago what we could do with our inheritance. But this is an explanation, not an excuse. Now we are going to find out."

Outside of Maine, certainly outside of New England, there is an impression that Maine is a state for summer vacationing, for occasional deer hunting in the Winter and trout and salmon fishing in the Spring. There are men in Maine who share this impression, though they place the emphasis on the trout and salmon. The sa-

cred codfish means nothing to a Massachusetts man compared with the significance of trout or salmon to a State of Maine man.

This deep emotion on the part of the native has its advantages, for it provides a means of catching his attention.

"The fisheries of Maine must be preserved." To that bait he rises heartily, thinking of trout and salmon. "License fees for fishing must be equalized as between native and visitor, so there may be more money for more trout and salmon hatcheries." Again he is all attention. "And with lake and stream fishing we must promote deep-sea fishing."

Vacationists and Fishing

THEIR thought begins to supplement emotion; from trout and salmon it goes on and on until it includes wood pulp and woolen mills, Aroostook potatoes and apple orchards, mines and yacht building and then, by a natural sequence, back almost to the beginning—to the summer vacationist, who is rapidly becoming one of the most valuable single items in Maine's repertory.

Having thus brought the two ends of their net together, the people of Maine are now proceeding to examine their catch and to con-



MAINE DEVELOPMENT COMMISSION

Maine rivers float Maine pulp wood to piling machines such as this one on the east branch of the Penobscot

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2 Extra value is represented in the price of every GENERAL MOTORSTRUCK—instead of “water” in anticipation of “excess allowances” on trade-ins. The buyer can consider real value in a new truck—without “hoss-trading” methods. He gets EXTRA VALUE instead of “EXCESS ALLOWANCE.”

3 STRAIGHT RATING further clarifies truck-investment and increases efficiency of truck operation. It gives the maximum allowable total gross weight a truck can carry, year-in, year-out, with highest efficiency—and for which it is unqualifiedly guaranteed. Weights of chassis and of any body-type are exactly given. These, subtracted from the maximum total allowable gross weight, give the most efficient pay-load capacity of any GENERAL MOTORS TRUCK equipped with any type of body.

4 One every GENERAL MOTORS TRUCK a real work-test is offered. We provide truck, driver, and gasoline. You put them at your regular work, and find out just what the truck will do. (This offer is not made in states where such tests may be unlawful.)

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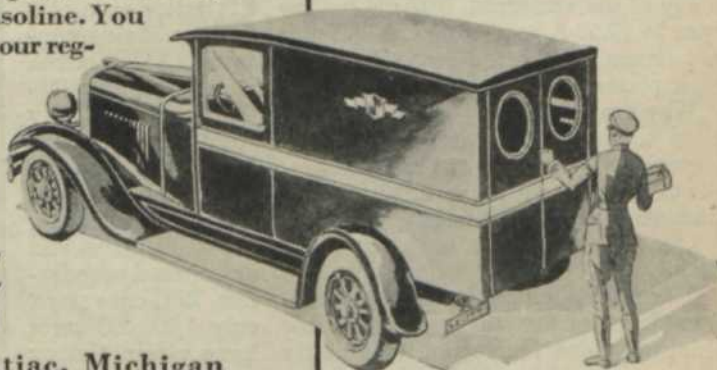
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sider what to do with it. The bigger items show up quickly.

Under recreation may be considered summer vacationists, ranging from owners of summer homes through sojourners at hotels and farmhouses, to motor tourists who hover for a night in a camp. Fishermen and hunters lengthen the vacation season at either end and provide their guides with off-season jobs in canoe building and snowshoe making.

Industries are varied, some in large units, many in small. Maine people are asking themselves if the time is ripe to supplement mass production with small-scale production that has individuality.

As for agriculture, much has been and more will be said, for the majority of the people are farmers and majorities are talked to.

A consideration of forestry reveals that the greater part of the state—66.4 per cent according to one estimate, 78 per cent according to another—is still covered with forests. How much of this timber is merchantable?

The Maine citizen's emotion having been successfully appealed to by trout and salmon—emotion because it has driving power—thought having been stimulated that it may direct the driving power of emotion, now comes imagination, which is a compound of emotion and thought.

Increasingly More Visitors

FIGURES are produced. Visitors to Maine in 1926 brought into the state \$100,000,000 in new money. In 1927 they increased their contributions to \$110,000,000. In 1928 there was another 10 per cent increase. And this year? And the year after that?

The mathematical problem is simple. But the people of Maine understand that the problem is not one of mathematics pure and simple. There are alloys which must be taken into account. A good many of the visitors in 1927 did not return in 1928. A good many in 1928 will not return this year. New visitors take their places.

Why are not the new visitors all additions instead of being in large part replacements? That is one thing the people of Maine wish to learn. Every live business is constantly seeking to reduce its mortality rate. So is the State of Maine.

Then Maine has an idea that these visitors have money to spend on other things besides recreation. One of its leading citizens has coined a phrase to the effect that the state is a show window. He sees customers, out-of-state visitors, passing by in an endless procession and



This gear for snow travel has journeyed far from its native Maine since this picture was made. It's now with Byrd in the Antarctic

PHOTO BY V. AKERS

looking at the things Maine has to sell. These customers are a picked lot, people with taste and discrimination—and money to spend. May they not constitute a potential market, peculiarities of which will repay study?

Mass production is for the masses, individuality in products is for the particular. Maine has large factories for mass production, but it also has many small factories and workshops which can specialize. Why not supplement mass production with small-scale production and individuality?

Perhaps some of these moneyed visitors, enthused by the possession of an unusually excellent woolen suit "made in a little place where I spend my summers" or "where I went fishing last Spring," or by a chair of colonial design and superior workmanship, may become financial backers of the enterprise.

Then, of course, there is forestry. Even the summer visitor on the coast knows that Maine is a forest state. But what about these Maine forests? Statistics seem confusing. Maine contains 19,132,800 acres. Of this area 18,560,000 acres originally were covered with forests. But, and this is surprising, according to one statement, 15,000,000 acres still are covered with forests. But, once more, only 1,000,000 acres have virgin timber and at least 1,000,000 other acres are lying idle and unproductive. Still this leaves

13,000,000 acres that seemingly are engaging the attention of the lumberman.

But Maine's interest in its forests extends beyond statistics to the human side of the equation. What do the forests offer the farmer or the town worker as a supplement to his regular job? Do they give him a winter occupation and income? Apparently not so much now as formerly. Can they do more in the future?

Why that million acres of idle and unproductive cut-over land? If a yield tax is substituted for an annual tax, how are local schools and roads to be paid for during the years trees are growing to merchantable size?

And what is a merchantable size? A size that will yield timbers for a house, or a size that will yield pulp wood? And how can the slower growing trees of Maine compete with the much faster growing trees of the South? The answer may be quality. But it calls for study.

It's an Agricultural State

IF Maine, physically, is two-thirds forest; it is by population two-thirds agricultural. There are abandoned farms in Maine just as there are in New York and Michigan. Maine farmers today are trying to make a living on the same farms that their grandfathers cultivated before farmers bought automobiles. Conditions have changed.

How is the farmer to fit into these new conditions and be happy? That is another question to which Maine people are seeking an answer.

Maine grows excellent corn. Can it be marketed under a Maine title and bring the Maine farmer an increased reward because of its quality? Maine grows apples with a real flavor. Can the orchards of Maine be profitably extended?

What is the relationship between Maine's farms and Maine's recreational resources? Will the boys' and girls' camps, the hotels and summer cottages, have an increased attraction because they provide Maine-grown food, and will the farmers make more by serving near-by markets



Fort Edgecomb, erected in 1804, is one of Maine's many historic spots

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 December 17, 1928.

Egyptian Lacquer Mfg. Company,
 Atlanta Branch, 96 Com. St., S.E.,
 Atlanta, Georgia.

Gentlemen:
 Attention Mr. W. E. Hutchinson.
 We wish to thank you for your time and trouble in looking us up to try your Egyptian Lacquers for refinishing our airplanes. As you probably know, we conduct one of the largest flying schools and airplane agencies in the South, and quite frequently our students buy airplanes that we have used for a short time in our school. To all cases we refinish these planes, and since we started using your products we find that it saves us a great amount of time in this operation as well as give the plane a brand new appearance.

This aids us greatly in every sale and increases the value considerably. We are so highly pleased with the results obtained, that we are now using Egyptian products exclusively.

Thanking you very kindly for your past services,
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Very truly yours,
DOUGLAS DAVIS FLYING SERVICES, INC.
James Davis
 Asst. Manager.

Wings for Men's IMAGINATIONS!



BUDDING, branching, growing by leaps and bounds—the new products, the new industries to make them, the new dealers and owners to use them and care for them!

Who now can say—"I have learned everything about my job"? Such a one would discover, too late, a new angle in manufacturing or selling which is sweeping his competitor on ahead of him.

Today men's imaginations must sprout wings! And Egyptian Lacquers, we are proud to say, are especially suitable to send ideas a-soaring—often to new heights of profit.

This is an organization of practical men working with a fascinating material. The possibilities of lacquer, the

rich, durable finishes it produces at low cost, are only beginning to be found out. Constantly we are developing special lacquers—often entirely new—for the individual requirements of some manufacturer.

Our laboratories, our chemists and our fifty years of experience are at the service of the imagination that is free to follow the new and better way.

THE EGYPTIAN LACQUER MFG. CO., INC., 90 West Street, New York, N. Y. Completely equipped branches in charge of practical men are maintained in Atlanta, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Dallas, Denver, Detroit, High Point, N. C., Kalamazoo, Kansas City, Los Angeles, Philadelphia, Portland, Ore., Salt Lake City, San Francisco, Seattle, St. Louis.

EGYPTIAN



Lacquers

"THE MAKER WHO IS PROUD OF WHAT HE MAKES USES EGYPTIAN LACQUER"

than distant ones? Again the subject calls for study.

So Maine has begun to study. It has undertaken to survey, tabulate, analyze, interpret its resources and on the knowledge so acquired to base a balanced, continuous program for their development, a program that will utilize them to the full but not exhaust them, a program that will bring to its people that wealth that is potentially theirs and on which can be founded increased social well-being.

Maine is preparing data for inquirers. It has abundant water power, energy that the law forbids being sent out of the state. So there the power is for anyone who will come into the state. It has skilled labor. It has home-grown materials.

This vision of what to do and why did not come to the people of Maine in a sudden burst of glory. For several years they have been advertising their recrea-

tional advantages. More recently, they decided to advertise their industrial and agricultural advantages, also. Then they began to examine what lay behind their own advertising. The Legislature in 1927 created a State Development Commission and gave it money to spend on booklets and other advertising.

A State Looks Into Itself

THEN last year the Legislature suggested that the Commission call a conference with instructions to consider agriculture, banking, labor, industry, water resources, forestation, power and transportation. The conference was authorized to add other subjects on its own initiative. When the conference met it adopted resolutions dealing with airplanes and railroads, better accounting methods on farms, study of New England markets, a land and mineral survey, continuation of

the topographical survey, simplification of the laws relating to fishing, cooperation between banking and agricultural interests, a study of religious and social conditions. Already the Commission had initiated recreational, industrial and educational surveys.

Obviously the first task of the Commission is to organize its work if it is not to get lost in detail. Its primary job is that of a coordinator; there are many other agencies in the state, governmental and private, which are equipped to delve into detail. The purpose of the Commission is to promote a balanced and continuing development of the state's resources for the benefit of the people of Maine.

"Teamwork for the State of Maine" is the Commission's unofficial motto, a modern version of the classic "All for one and one for all."

The Chain Store Comes of Age

By SAMUEL B. BOTSFORD

Former President and now General Manager of the Buffalo Chamber of Commerce

OCTOBER 12, 1928, logically may be designated as the day the chain-store business grew up. When this unwelcome infant appeared on the doorstep not so many years ago, established business naturally did not like it.

In the beginning the chain store was not what it is today in its most advanced form. Growing up is a process that does not happen all at once either in men or in business. The early chain store was a disquieting factor in the business field and the hand of every man, nearly, was out against it.

In the earliest days, frankly, the chamber of commerce and other local organizations would have none of the chain store. But it grew and developed, winning for itself a firm foothold in the retail field.

For many years chain-store executives generally refused as a matter of policy to subscribe to local enterprises either in money or in personal interest. They refused to recognize that they had anything in common with local interests, which was utterly fallacious, of course. Even today some large organizations are continuing this early policy.

A Significant Utterance

BUT, on October 12, the National Chain Store Association pledged itself to a code of ethics, the second paragraph of which is of the utmost significance:

"Realizing the rapid growth of the chain-store policy and the displacements caused by this growth throughout the country, the associated members pledge to promote all worthy local civic enterprises and any movements looking toward

the betterment of the communities where they are engaged in business."

In that quotation, for the first time, the chain store officially recognizes its responsibility and its community of interests with local enterprises. The fact that it has thus gone on record flashes upon us a new group of conditions.

Chain-store organizations must revise current policies. Local enterprises must discard old prejudices and methods. The bad boy is ready to become a citizen.

Naturally this new chain-store policy will not go into effect all at once, and perhaps one of the fundamental needs in the curriculum of chain-store management training during the next few years will be a study of the broad subject of civic consciousness.

The charge frequently has been made that chains will not participate in local enterprises even to the extent of joining the chamber of commerce in cities where they have stores. This complaint is still valid to a degree.

The most undesirable feature of the situation from the standpoint of the chamber of commerce executive is the fact that, though the chain may become a member, it is rare indeed that any of its officials will actually participate in the various movements the chamber promotes for the good of all business in the locality.

Take, for example, the situation in Buffalo—a situation which is, I believe, typical of most cities. Many chains have large stakes in Buffalo. They have invested literally millions of dollars here. It is reasonable to suppose that they should have a common interest with all the

other business houses operating in Buffalo.

However, all too often when the manager of a chain's interests in Buffalo is solicited for membership to the chamber, he refuses outright on the ground that the chain headquarters is in another city and has no interest in civic movements in Buffalo; or he says he will take the matter up with the home office.

In the latter instance, some letter-writing follows, sometimes resulting in a membership and sometimes not.

A Member In Name Only

THE point that disturbs me is that, in most cases, even when the membership is received the matter drops there. The local manager is too busy managing his store or stores to bother with committee work or to participate in other movements.

I submit that this is an illogical situation, to say the least, and not conducive to a friendly spirit between chain representatives and business men who labor on committees and constitute what may be called the management of the chamber. These committeemen are among the best informed and most influential men in the community and have much to do with public sentiment. The manager of a chamber of commerce must reflect the views and, at times, the prejudices of those who make up his committees and do the community-building work of his organization.

Heretofore the headquarters management of a chain has usually been unable to see why, for example, it should help underwrite the \$150,000 necessary to bring a great national political conven-

By Equipping All Trucks With Air Container* Inner Tubes

"we saved over
\$1,151.66 per month
... each month thereafter"

NOTICE TO READERS

In the hope of saving other fleet's operators, as well as passenger car owners, some money we present here the report of a well known eastern executive in part, exactly as it was read, behind closed convention doors. For obvious reasons he has requested that we do not mention his name.

"OUR COMPANY operates 157 trucks and business cars at the present time. About six months ago we inaugurated the use of puncture sealing tubes, called 'Air Containers.' During the preceding six months our tire and tube purchases amounted to \$15,911.00. During the last six months, since the adoption of puncture sealing tubes our tire and tube purchases have amounted to \$10,564.00 with an increase of 9 cars—a saving of \$5,347.00, or more than thirty-three percent on new purchases. In the same time, the last six months' cost of repairs to tires and tubes has been \$1,493.00 as compared with \$3,056.00 during the preceding six months—a saving of \$1,563.00 or more than fifty percent on repairs.

Other savings effected, too

"IN addition to this we have been able to effect savings on service-calls, even eliminating one tire repair man. We are getting much better mileage and better service out of our tires with these tubes than we were before.

"In addition to the money savings effected by the use of these tubes, there is also an improvement in service on account of time saved in changing tires, and so forth, which is often a consider-



Here's how the air container inner tube works: When a nail or other object punctures the Air Container it is tightly gripped by a soft rubber compression member. As the nail is withdrawn, the compression member instantly closes the opening.

able factor in getting our trucks to point of destination promptly. For example, during the heavy snow storms last winter, when things were at their worst we did not have one tire call to hold us up.

"I feel sure that anyone who has to deal with keeping up unfailing service at the lowest possible cost on a fleet of trucks, whether few or many, will find it worth while to investigate the possibilities in using these puncture sealing tubes."

Other well known companies, such as the American Can Co. of Chicago, Ill., Freihofer Baking Co., Philadel-



"... Anyone who has to deal with keeping up unfailing service at the lowest possible cost on a fleet of trucks will find it worth while to investigate the possibilities in using these puncture sealing tubes."

phia, Pa., The Coca-Cola Bottling Company, New York, N. Y., Gimbel Bros., Philadelphia, Pa., Consolidated Gas Co., Boston, Mass., and a host of others report similar results from the use of Goodrich Air Container inner tubes.

Ask your nearest Goodrich dealer to quote you prices on a complete change over of your own fleet to Goodrich Air Container Inner Tubes.

THE B. F. GOODRICH RUBBER CO., Akron, Ohio, Est. 1870. Pacific Goodrich Rubber Co., Los Angeles, Calif. In Canada: Canadian Goodrich Co., Kitchener, Ont.

*AIR CONTAINERS ARE MANUFACTURED EXCLUSIVELY BY THE B. F. GOODRICH RUBBER COMPANY, AKRON, OHIO



Goodrich Air Containers

tion to Buffalo, although with the present prevalence of chains in this city, this portion of the retail field would doubtless reap as much benefit from such a movement as any other class.

The nonresident chain manager cannot see why a better motorways program can be of possible value to him although it is self-evident that better transportation facilities in and around Buffalo will draw more people into the city and the more economical will be the chain-store transit problems.

No Help From the Chains

SOME months ago a Niagara Frontier Development Committee of 100 was formed by key men in the business life of all the communities on both sides of the Niagara River. Some 32 boards of trade and chambers of commerce in Canada and the United States are cooperating in this exhibition of the ability of business to surmount political boundaries. These far-sighted citizens have assured me of large sums to be used in developing the industrial and general trade possibilities of the Niagara area. Plans for extensive trade magazine advertising and other methods to promote business in this region are being considered by a committee of experienced executives. Considerable money has already been spent. Not one dollar of this special fund came from any chain organization, and none of the nonresident chain-store managers has displayed any interest in the movement.

Yet, as the industrial factors of the region are developed, as industries come in and as workers are employed, it must be perfectly obvious to the management of the chains that they will benefit just as will the banks, the transportation, the industrial, the power and other interests which are contributing time and money to this international effort.

I mention time because the services of intelligent and experienced citizens are of primary importance in a business building program. The Buffalo Chamber of Commerce receives such cooperation from its local merchants but not from distant chain-store magnates.

In the Traffic Department of the Buffalo Chamber, experts are constantly studying freight rates and regulations in and out of the Buffalo district. Their work has saved hundreds of thousands of dollars in freight charges to Buffalo business interests, chains as well as others.

Safety Work Is Wide in Scope

OUR Safety Department not only helps to save lives but also works out plans for relieving congested traffic, reducing fire hazards and, in general, cutting down costs to men who do business in Buffalo. The industrial safety work reaches out to the factories and touches the foreman and common laborer; the public safety work reaches into every school. Compensation charges, insurance rates and hospital up-keep expenses are reduced, earnings are increased and, as a consequence, the public and the stores that supply that public benefit.

The Buffalo Chamber's Export Trade Department helps the Niagara Frontier industrialists build up their export business. In America today, exports represent the difference between good times and hard times. The retailers are deeply interested and directly affected by this type of work.

It is true, industrial development, the growth of community pay rolls, may not interest the executive of a national chain. He may figure that his chain will benefit from those pay rolls, wherever they may be. But this is a period of scientific location of business. It would seem that the men charged with the management of national retail organizations would like to know something of the work being done to build up the communities on which they must depend.

Certainly any chain executive, if he thinks back a little, must see that there is a decidedly valuable community of interest in these things the chamber does. He must see that he owes it to himself to point out this fact to his managers in Buffalo, regardless of the location of the chain headquarters. It is evident that the usual lack of interest among local chain-store managers is due more to lack of moral support from the home office than to lack of inherent ability of interest among branch managers.

It's a Matter of Reciprocity

NOTHING grows by itself. Certainly home office executives and local managers cannot expect the local chamber of commerce to be overjoyed or overenthusiastic concerning chain-store interests when the chain shows only the most casual interest or no interest at all in even the normal activities of the chamber.

When I speak of no interest at all, I mean no participation even to the extent of a membership. When I speak of casual interest I refer to a membership given grudgingly, with the attitude that it is a handout or a holdup, an attitude which says as plainly as words, "You've got your money. Now leave us alone for another year. We're here to sell merchandise. We don't want to be bothered. You've taken that slice off our net percentage. You ought to be satisfied."

The point I am trying to make is that we are not satisfied; and the headquarters management of the chains, if it examines its interests in the matter closely and in the broadest possible way, should really be less satisfied than we.

In the old days community efforts centered about the retailer. When Bill died, leaving a large family, the local grocer headed the subscription list. When Mary graduated, the corner store had the largest advertisement in the commencement program. When the little neighborhood church had its annual sociable, the most cooperative helper was the nearby storekeeper.

When the trolley company started on the road to bankruptcy, it was the village retailers who chipped together to help keep the service going.

A chamber of commerce is an attempt

to do for a large community the things formerly settled around the stove in the village grocery.

The stove, with its cheerful heat, is gone. When we assemble to discuss our civic problems, it often seems to me that the chain-store executive, with his insulated efficiency, has substituted an electric refrigerator for the comfortable stove and has shipped it to the chamber of commerce, C. O. D.

However, we have every reason to hope and believe that the pledge made by the National Chain Store Association in its code of ethics marks the dawn of a new day. There are already signs of a change in attitude. Recently the regional head of a great chain organization wrote me a letter saying:

"I feel sure our future relations with your organization are going to be of the best. We will want to lend ourselves to many activities of the Buffalo Chamber of Commerce."

A Responsibility to Be Met

BUT in this change of attitude there falls upon chamber of commerce organizations a responsibility to which they must rise if they are to hold the attention and support of chain organizations.

For example, a large chain organization recently became a member of the Buffalo Chamber on condition that its membership be kept secret.

When pressed for a reason for this stand the organization explained that it did not want to find itself in the position of setting a precedent which might make it necessary to join similar organizations operated inefficiently in some of the other cities in which its stores are located.

Chamber organizations should realize that most successful chain organizations are operated at a high point of efficiency and their managements have no patience, time or money to waste on civic enterprises which do not show ample evidence of meriting support.

A Challenge to the Chamber

AS I see it, the significant pledge of the chains to support local civic enterprises is by no means a one-sided proposition. There must be something worthy to attract and hold their cooperation. This move challenges the chamber of commerce organizations everywhere to put their houses in order, cut out non-essentials and operate in such a thoroughly businesslike and effective way that they will merit the local support of the chains, and actually receive it. The weak sisters in civic organizations will receive little, if any, more support from the chains than before.

Will, or can, the local civic organization measure up to the efficient operating standards set up by the chains? The answer in terms of civic service, efficiently administered along sane and sensible lines, will undoubtedly determine for each local chamber of commerce the support it will receive from all great business organizations which look for efficient and worthwhile results.

PICTURES SELL GOODS.

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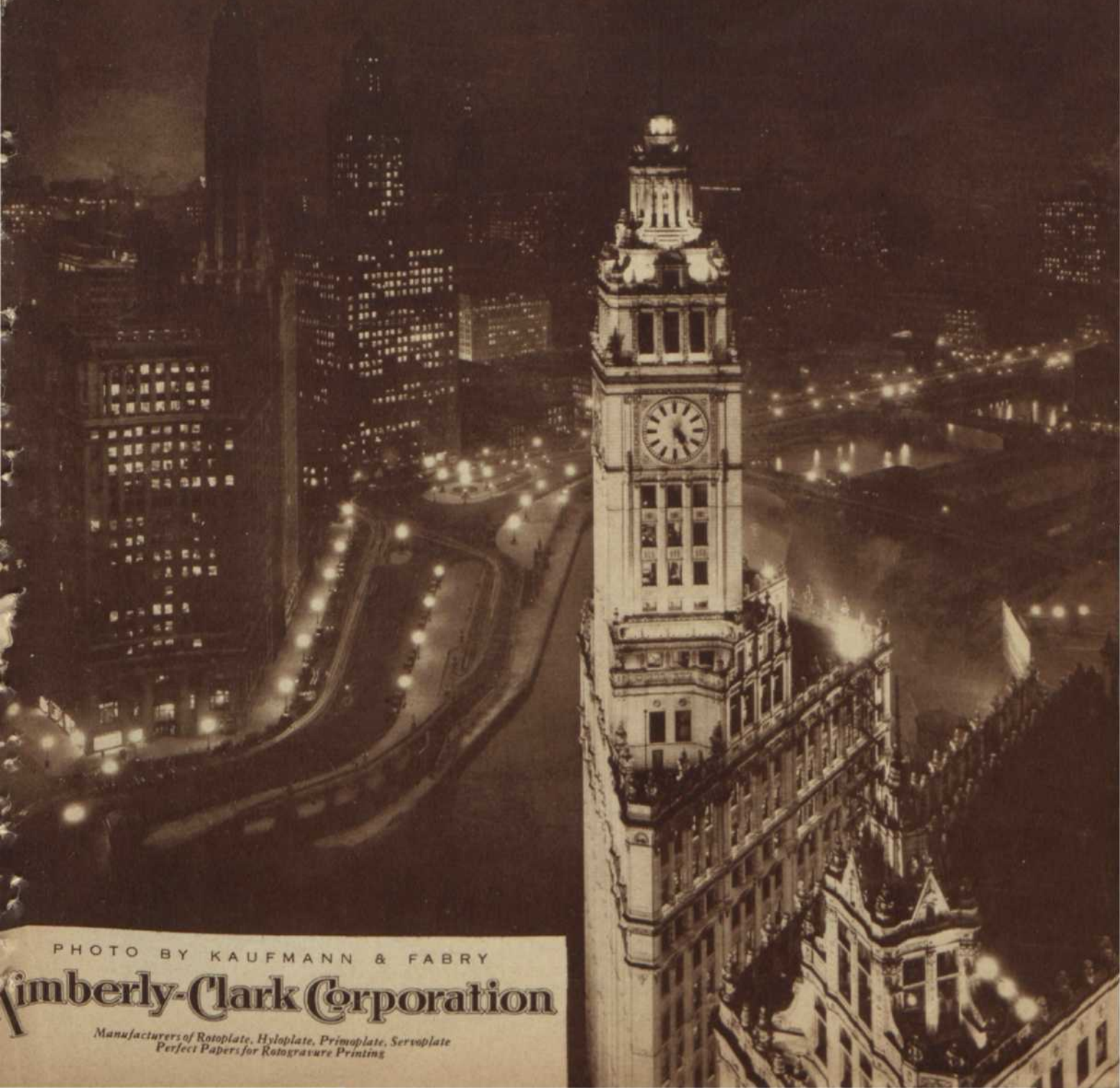


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Cheap labor in China retards the use of modern road-building machinery

China Makes Way for the Motor

By A. VIOLA SMITH

U. S. Trade Commissioner, Shanghai, China

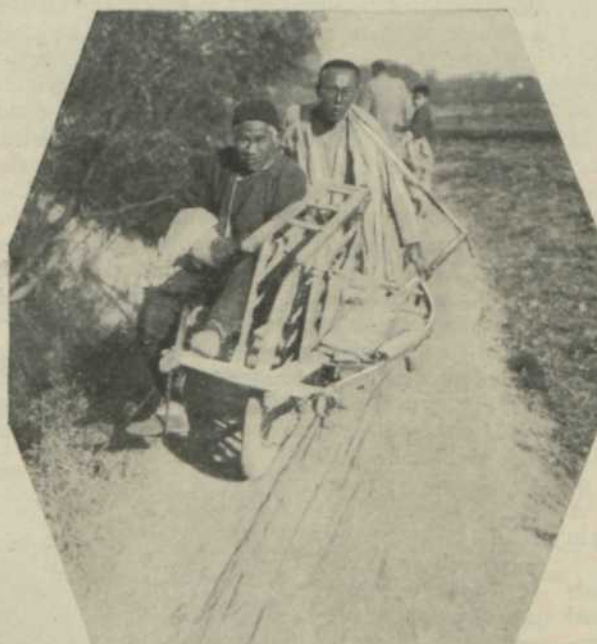
THE greatest array of workers in China since the building of the Great Wall is now building roads in Kweichow Province. Two hundred thousand soldiers, farmers, tradesmen, school children—boys and girls—have been put at this work by Chow Hsi-tsun, a young military leader of an adjoining province who was invited to Kweichow on promise of substantial support if he succeeded in restoring peace and prosperity.

Not long ago the first motor car reached the provincial capital after a 50-day journey from Canton, being transported in pieces on coolies' backs over the mountain ranges when water transportation ended. The province was bandit-infested and famine-stricken.

In a few months Governor Chow made the profession of banditry unprofitable and set about seeking constructive opportunities for the people of his province.

Kweichow is an inland province in southwest China. Narrow tracker trails over steep mountain passes provided its only contact with the world. Over these trails a coolie tracker could transport \$400 (Mexican) worth of opium with no more labor than it took to carry \$3 or \$4 (Mexican) worth of rice or other produce.

Opium traffic flourished; other trade was demoralized. Seeking a method to correct this condition, Governor Chow hit upon better means of transportation. He sought technical advice on road building.



© MACTAVISH & CO., LTD., SHANGHAI

China's ancient imperial highway system consisted of some 2,000 miles of narrow dirt trails

Within two years 600 miles of road have been built. The Tsunyi-Chiuhi section of the system in the extreme northwest tip of the province will connect with a small tributary of the Yangtze River. Steam launches connecting with river boats at Chungking will provide a river transportation outlet for the products of this isolated province for the first time in history.

But Kweichow is not the only province that has awakened to the need of better transportation. All over China, provinces and districts are constructing highways. Today between 10,000 and 13,000 miles of

graded dirt roads are opening up many areas to modern means of transportation. Hard surfacing has been done in but a few districts outside the foreign concessions in the larger treaty ports.

Construction is more or less sporadic as there is no national system of highways. Although historians credit the Chinese with having an elaborate and well-maintained post or courier system a thousand years earlier than the Romans, her ancient system of imperial roads, comprising some 2,000 miles of narrow dirt traffic tracks, finds no counterpart in the modern road development. The longest regular motor route in China, from Kalgan to Uрга, is 800 miles long.

But the fact that China has been able to make any progress in roads during the recent upheavals is phenomenal and the awakening of provincial authorities to the beneficial results of highway construction is one of the encouraging highlights on the China horizon.

In Kwangsi province immediately south of Kweichow, more than 1,000 miles of roads have been built within two years, with work rapidly progressing on other lines connecting the principal centers of Nanking, Liuchowfu, and Wuchow. Highway construction is further exhilarated by plans for an Industrial Exposition at Wuchow next October, in which Kwangsi Province invites foreign traders to participate and learn for themselves what has been accomplished. Kwangtung

Province, where Canton is located, has been engaged in road building, though, not so extensively as its neighbors.

Chekiang Province on the central eastern seaboard is by far the most progressive in all China. Despite civil warfare within its borders, Chekiang has steadfastly held to its roadbuilding plans started several years ago. So determined are the provincial authorities that road building must continue that they refused to join in the revenue scheme of the Central Government at Nanking, until assured that the \$1,200,000 (Mexican) cigaret tax for roadbuilding would not be disturbed. As a result, the Nanking Government is monthly allotting \$100,000 (Mexican) (Gold \$50,000) to the Chekiang provincial road bureau for highway work.

New Roads for Old Walls

MODERN roads have replaced ancient city walls at Canton, Shanghai, Nantungchow, Hangchow, Changsha, Yunnanfu, Chuanchow, and Waichow, while in other centers such as Kiukiang, Nanchang, Yangchow, Kashing, Pinghu, Soochow and Wuchow—walls are being destroyed. Numerous others are scheduled to be scrapped as road building programs progress.

More amazing still is the removal of graves, notably in Chekiang and Szechwan provinces. For centuries, graves have been so sacred that modern building and transportation projects have often suffered. Today in certain progressive districts one sees the actual removal of graves to make way for roadbuilding. A "constructive revolution" is proceeding in the face of military depredations.

It is difficult to say when better roads were first debated in China. The original advocate seems to have been Lo Kou-Shui, who, while serving as technical secretary and adviser to the Ministry of Communications in 1913, urged adoption of a highway program as a complement to the construction of a national system of railways then being drawn up.

Although he was years ahead of his time, his constant urging resulted in a presidential mandate November 15, 1919, stipulating certain regulations for the construction of new roads. Unfortunately this amounted to little more than a paper transaction so far as any real impetus for the creation of a national highway system was concerned.

The road building program initiated in 1920 under the direction of the American Red Cross to assist famine stricken districts was undoubtedly the first real impetus for modern roads. This stimulus,



The walls of a dozen cities have been displaced by roads, and other centers are scrapping their walls for a similar purpose

caught by a Sino-American group of individuals, resulted in the formation at Shanghai in May, 1921, of the "National Good Roads Association of China."

This organization, popularly known as the "Good Roads Movement," has played a considerable part in educational propaganda for "better roads." Its "Good Roads Monthly" published in Chinese since March, 1922, claims a circulation of 8,000. One thousand copies of a voluminous work in Chinese entitled "A Book on Roads" have been compiled, published and circulated. Special pamphlets and other material have likewise been issued in the Chinese language and disseminated throughout the country.

The Association further claims a measure of success in inducing the organization of private motor bus transportation services, and also claims to have urged the Ministry of the Interior to bring pressure to bear on provincial officers to establish highway bureaus. Many provinces have created such bureaus, while in others they are being organized. In five of these, Kiangsu, Kiangsi, Hupeh, Hunan and Honan, the highway bureaus have regular budgets and annual programs in operation. In a few districts such as Nantung, Shanghai, Pao-shan, Changsoh, and Taichon, "District Road Bureaus" have been instituted to build and maintain city and country roads.

On the practical side, however, the China International Famine Relief Com-

mission has undoubtedly done more in recent years than any other single medium in the actual construction and extension of road building in China. Since 1923 it has been responsible for the administration of several million dollars on reclamation, dike and road construction work.

In many places it has been able to carry on construction projects irrespective of military operations and the instability of local governments. It aims to have the local authorities with whom it is cooperating match the China International Famine Relief money spent on given projects, either with funds or the equivalent monetary value in labor and materials. This method relieves the sting of philanthropy and inculcates in its place a sense of responsibility in the local authorities who sponsor the work.

The Nanking Nationalist Government, though it has set up no national highway bureau, has urged on the provinces, through its Reconstruction Commission, the desirability of creating provincial highway bureaus for the immediate construction of highway systems. Various district road bureaus throughout the provinces have held conferences at provincial capitals.

Such a conference was held in May at Nanking by the Kiangsu provincial authorities; and another was held in the same month at Wuhu, Anhwei Province. The National Communications Conference held in August endorsed better roads and proposed immediate building of a highway from Nanking to Peking.

For use on these roads, China, a country larger in area than the United States with four times its population, has less than 25,000 motor cars, contrasted with the 23,000,000 cars in America.

In 1926 the Good Roads Association reported 26 bus companies in operation. Many others were inaugurated in 1927 and '28.

China has an abundance of cheap labor which mitigates against rapid introduction of modern highway construction machinery. Similarly her dirt graded roads will not stand heavy traffic, but the opening of any kind of modern roads is the significant thing to be stressed in looking toward the development for equipment five years hence.



A modern, thirty-mile highway links the city of Hangchow with Shaoingfu

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Searching for New Farm Markets

By WILLIAM HARPER DEAN

Manager, Agricultural Service Department, United States Chamber of Commerce

IN 1803 a popular treatise on chemistry by Frederick Accum was printed on paper made from straw to show what chemistry could do in providing a profitable outlet for that by-product of the farm. The accomplishment was hailed as a great benefit to agriculture although the paper was not of high grade even by the standards of that day.

More than 20 years ago Congress passed a bill permitting sale of untaxed denatured alcohol. This, too, was heralded as a boon to agriculture as it would permit farmers to convert their surplus and waste grain, potatoes, fruits, sorghum, cornstalks and the like into a valuable commercial product.

Manufacturers and research workers seeking commercial utilization of farm waste products have learned how to make some 51 products from corn-cobs, 24 from cornstalks, 12 from straw, and 103 from corn husks.

There is a vast difference between laboratory discoveries and their commercial application. Manufacture of paper from straw never has developed into a well established industry. Little actual benefit resulted from the passage of the bill permitting the sale of untaxed denatured alcohol. Few of the products developed from cornstalks, corn husks and corncobs thus far have achieved economic importance, —the problems involved in their collection and handling have made the use of other raw materials more economical.

Discoveries Not Always Practical

THIS introduction to a subject which during recent years has gripped popular imagination is not intended to minimize the future possibilities of converting certain of our agricultural wastes into important commercial products. At any moment experiments in laboratories or commercial plants may result in discoveries giving corncobs, cornstalks and straw enhanced commercial values.

But it is intended to emphasize the fact



JOHN KABLE, DAYTON

FROM THESE cornstalks 24 useful products can be made. If they rot in the field the ground will be fertilized. Whether this fertilization counterbalances the commercial loss involved is one question to be met in farm waste utilization projects

that a triumph in the laboratory may not become a commercial triumph until the problem of the collection of raw materials in sufficient quantities at central points has been simplified. The by-products of the packing industry, from which a large proportion of that industry's total income is derived, never would have assumed the commercial importance they have today but for their heavy concentration at packing centers as an incident to the conversion of the live animals into meat products.

By the same token, small unregulated plants working on a variety of low-sugar products in the production of alcohol

cannot compete with large well organized and scientifically managed plants using more concentrated raw material.

Problem of Gathering

THIS whole question of commercializing farm wastes and by-products is largely one of concentration of supplies of sufficient raw material to make the ventures economically feasible. For instance, much progress has been made in extracting cellulose from cornstalks. Extensive investigations indicate that almost any grade of paper, from the finest tissues to the coarsest grade, can be made from these stalks. However, as nearly as can be determined from published reports and interviews with persons intimately in touch with the situation, the utilization of cornstalks for such a purpose still is in a purely experimental stage, because of the problem of gathering the raw material and, in addition, the question of the farmers' own interests.

For more than a year a plant in the Mid-west has operated to manufacture cellulose from cornstalks. Some of its products are beginning to find their way into commercial channels, but the problem of collecting the stalks still is present. In the Fall of 1927 the plant assembled some 12,000 tons of stalks from farms in the vicinity. There was practically no previous experience to guide this operation. The company paid \$5 an acre for good fields of stalks within five miles of the plant. Poorer fields or those at greater distances were purchased for less.

Collected Stalks by Machinery

THE company collected and hauled the stalks. Special machinery was developed for gathering and baling them.

One method was to cut the stalks with a mowing machine, rake them into piles with a hay rake and bale them with a hay baler. Another scheme was to cut the entire stalk, including the ear, with a corn binder. A corn husker or shredder sepa-



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rated the ear from the stack and husk which went directly into a baler.

Similar investigations have been under way for several years at the Ames, Iowa, Experiment Station. There considerable progress has been made in developing methods of preparing stalks for delivery at the mill.

Another midwestern plant is making ready to convert corn stalks into cellulose. This company expects to operate on rather a large scale, manufacturing paper pulp and wallboard.

Raw Material Is Cheap

THE outcome of these experiments cannot be forecast with any degree of certainty. Those in closest touch with the efforts feel that the cost of raw material will determine, to a large extent, whether corn stalks will provide an economic supply of cellulose. Experiments indicate that stalks can be delivered to the midwestern plants at from \$7 to \$10 a ton. Under more favorable conditions with improved machinery and within a twenty-mile radius it might be done for less.

But while these attempts to solve the problem of initial raw material costs are under way, consideration must be given to the question of whether the farmer himself would profit more by selling his stalks or by keeping them on his land. When they are removed from the field considerable plant food, such as nitrogen, phosphates, and potassium, is lost. Experiments have indicated values of \$2.90 to \$3.50 a ton of stalks for these elements. And whether these plant food elements can be supplied from other sources more cheaply is a matter to be determined by further research into the value of decomposed stalks to the soil. The state experiment stations and the United States Department of Agriculture are giving this problem attention. The value of stalks as a live stock feed also must be considered.

This same problem of collection must be solved before corn cobs can be expected to take an important place in commerce. All the products that might be derived from cobs are now obtained from other sources which, although often less suitable, are more easily available. This availability is an important factor in reducing assembling costs, which, in the case of cobs, constitute a large item.

Years ago when corn was hauled unshelled to the market, large quantities of cobs collected at the elevators. Now more corn in shelled on the farm. Few of the commercial uses for which cobs are suitable would warrant a price that would induce the farmer to haul them to market. So they are used as fuel—a satisfactory use since the fuel value of a ton of cobs is more than one-half that of a ton of coal. But should it develop that industrial utilization of cobs will permit the paying of at least one-half coal prices per ton at country stations, it is probable the quantity of cobs available for commercial uses would be unlimited.

Although straw adapts itself to paper making, use as a fertilizer or even the

manufacture of gas, and is produced in large quantities by the grain crops of this and foreign countries, a large percentage is allowed to rot or is burned where it accumulates at threshing time.

The manufacture of strawboard may utilize large quantities of straw. Indications are that approximately 50,000 tons, principally wheat straw, will be used this year for that purpose. At one time practically all egg-case fillers were made of straw—now wood pulp is used. Coarse wrapping paper was also made from straw—again wood pulp has superseded it.

The bulkiness of straw is a major handicap to its commercialization. This bulkiness makes it unpopular as a fertilizer, especially where it is necessary to return it to the soil before at least partial decomposition has set in. A new chemical combination which quickly reduces its bulk and puts it into more suitable form for plant food, may increase its use as a fertilizer.

Experiments have indicated that from 40 to 50 tons of straw would yield a year's supply of gas for cooking, lighting and heating on the average northern farm, but the labor of getting it to the furnace, the relatively large investment needed and the hazards of making gas have made this use infrequent. What is needed is a careful determination of the value of straw for each of its uses under different conditions of climate, location, commercial development, markets, and the like. Only patient, searching inquiry can provide this information.

Oat hulls have found a more ready market beyond the farm. They have proved a most convenient, suitable material for making furfural, a liquid solvent. Unlike corn cobs, which otherwise might be equally desirable, oat hulls are available in quantities as they accumulate rapidly at cereal mills. One cereal plant is producing more than 200 tons of hulls a day, an ample supply for all present furfural demands in this country. Unless the demand for furfural increases rapidly there will be no need of seeking new sources of raw material for its manufacture.

Puts Waste to Good Use

FOR many years bagasse, that portion of sugar cane remaining after sugar is extracted, was burned or allowed to rot. A committee of the Hawaiian Sugar Planters' Association, which has been in existence a decade or more, devoted much time trying to discover uses for this by-product.

At Olaa Plantation, Hawaii, there is a plant using bagasse to produce paper used primarily for mulching. Mixed with blackstrap molasses, bagasse gave favorable results as a stock feed but obtained no commercial success. Neither of these enterprises as yet has opened a large market for the by-product.

A wallboard manufacturer found in bagasse exactly the raw material needed. One plant, manufacturing this product, represents an investment of more than

\$4,000,000 and occupies 130 acres. It manufactures fiber board and other products from bagasse in such quantities that new sections are being investigated to find suitable lands for the growing of cane and new varieties of cane are being studied to the end of obtaining a higher yield of bagasse.

The fact that a sugar mill operates but 75 to 100 days a year while the fiberboard plant operates continuously day and night, necessitates the handling and storage of large quantities of bagasse in a limited time. In the opinion of those immediately concerned, money and trouble could be saved if the supply of bagasse could be made continuous. Hopes are held that some use may be found for cane tops, now a total waste.

Flax Presents a Problem

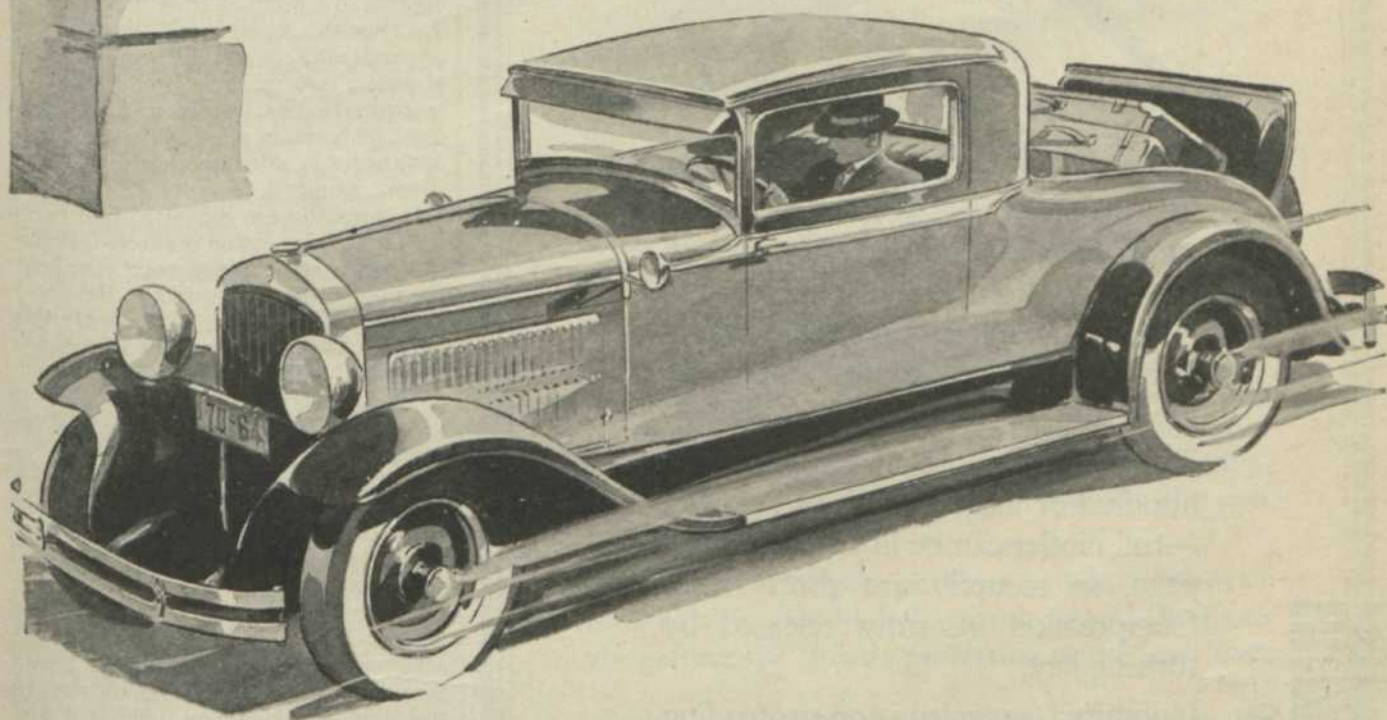
ANOTHER by-product with possibilities for commercial utilization is flax straw. The problems involved are being attacked by engineers at the Madison, Wis., Forest Products Laboratories. Flax straw is composed of two fibers which differ chemically and cannot be used together. The bast fibers, when separated from the shives, make the finest quality of rag paper. The engineers' problem is to separate the bast and shives at one machine operation, delivering bast at one spout and shives at another. Experimental work indicates that 1,300 pounds of clean flax straw would yield 260 pounds of bast fibers which would produce a similar weight of paper pulp. Yields of 2,267 pounds of flax straw an acre have been obtained at the Fargo, North Dakota, Experiment Station.

While utilization of flax straw would benefit flax growers, it might be well to remark in passing that the domestic "shortage" of wood pulp is not revealed in statistics. Although paper consumption has increased from 57 pounds per capita in 1899 to 202 pounds per capita today, wood taken from forests in the United States for paper requirements accounts for only 2.5 per cent of the annual forest drain. It is estimated that if we produced all the paper we used from our own forests, importing no pulp wood, pulp or paper, less than 6 per cent of the present annual forest drain would be required.

Moreover, it is claimed that should chemistry perfect a process for taking resin out of southern pine so that a satisfactory grade of newsprint could be made from it, there will be no more complaint about a wood pulp shortage. It is claimed that a tree large enough to cut for pulp wood can be grown in 15 years in the South as against 30 to 50 years required by northern spruce, the present chief source of newsprint. The fact that wood can be grown and harvested on a large scale, the transaction being conducted by a few parties, increases its favor over farm by-products as a source of pulp.

Federal, state and private agencies, patiently continuing their researches to find uses for the various farm wastes and by-products, constantly find encouragement

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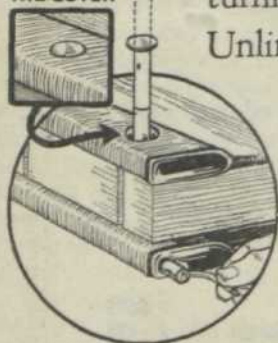
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in the success eventually obtained with bagasse and with cull lemons and oranges.

In 1925 approximately 40,000 tons of cull lemons were converted into 2,000,000 pounds of citric acid, and a liability costing the producers from \$1 to \$3 a ton for disposal as waste became an asset yielding about \$12 a ton for the acid. The amount of lemon culls converted into citric acid has increased appreciably since then.

Similar results have been obtained from cull oranges. One plant has produced 50,000 pounds of orange oil, valued at \$100,000, from what formerly had been classed as waste oranges. Removal of the pulp remaining from the manufacture of orange juice was costing one plant \$800 a month. Discovery that this pulp was suitable as feed for dairy cows changed the expense to a profit of from \$2,500 to \$3,500 a month. Changed conditions and new demands may convert the waste products of today into valuable products of tomorrow. In this transition, however, it must be borne in mind that as one class of farmers is aided another may be seriously disturbed.

If cornstalks are converted into rayon the demand for cotton is affected. Preparation of citric acid from sugar cane helps the cane grower but works to the disadvantage of the grower of lemons. Other parallels might be cited but fortunately the introduction of the newer methods ordinarily has been sufficiently slow to permit readjustments without serious disturbances.

With more or less continuous discussion of the question of "farm relief" during the past ten years, we have seen a renaissance of public interest in the commercial utilization of the farm wastes and by-products. Certainly much progress has been made and obstacles to more speedy achievements in this field by no means should be regarded as insurmountable. In this day of triumphant industrial and chemical engineering, aged problems daily are being solved.

What will be the future of these efforts as applied to salvaging farm wastes remains to be seen, but neither uncontrolled optimism nor undue pessimism should becloud the vision of those who attempt to survey these possibilities.

Speeding the Exchange

NO more after May 1 will brokers on the New York Stock Exchange suffer from writer's cramp.

Under the old system all stock certificates sold by an Exchange firm had to be signed by a member of the firm. What this entailed in the way of continuous penpushing by the brokerage firm heads during the five-and-six-million-share days recently can be easily imagined.

Now, with the coming of the golf season, a happier system—for the executives at least—has been devised. After May 1 the task may be assigned to employees with power of attorney.

What of the Chain Paper?

By SAMUEL P. WESTON

THE growth of chain-newspaper ownership during the past ten years, and particularly within the past five years, appears to have created in the minds of many a fear that the independence of the press is menaced. For some reason, the same public that accepts consolidations of industrial plants, chain operation of hotels, chain ownership of retail stores, and combining of public utilities as sound business practice seems to "view with alarm" the application of the group ownership and chain operation theory to the newspaper business.

Newspaper chain ownership is neither astonishing nor alarming. It is a natural tendency common to any industry, economic operation of which requires increasingly greater capital and intensive manufacturing facilities together with highest skill and able management.

"Most Perishable Commodity"

NEWSPAPER publishing is to a large degree a manufacturing industry. Two-thirds of the newspaper production costs are absorbed in highly specialized manufacturing operations. Time is the major element involved. A newspaper produces, sells, and delivers simultaneously, and its manufacturing and sales cycle is completed within 24 hours. News is the most perishable of commodities.

In addition to the manufacturing phases, is the assembly of news from a universal field where time and expense run beyond individual effort. Hence, the universal news-field service is concentrated into news-gathering associations. The Associated Press, United Press, and other news associations are, in fact, group news-gathering and operating companies for their numerous newspaper members.

The industrial era and newspaper development have gone hand in hand. The newspapers have led and lead today in the theory of mass production. This is shown by the basic sales methods of the publishing business. Advertising rates are based upon volume, the line rate decreasing as the line volume is increased.

Circulation revenues rarely reach a third of production costs. Advertising carries the major cost load as well as the profit. Operating expenses are now increasing more rapidly than are the volume and rates of advertising. Advertising volume has apparently about reached the economic peak.

When it is remembered that approximately two-thirds of newspaper production costs are in manufacturing operation it becomes apparent that economies and advantages offered by chain operation must have a value to the newspaper and publishing business. With possibly one or two exceptions the fifty-odd groups of

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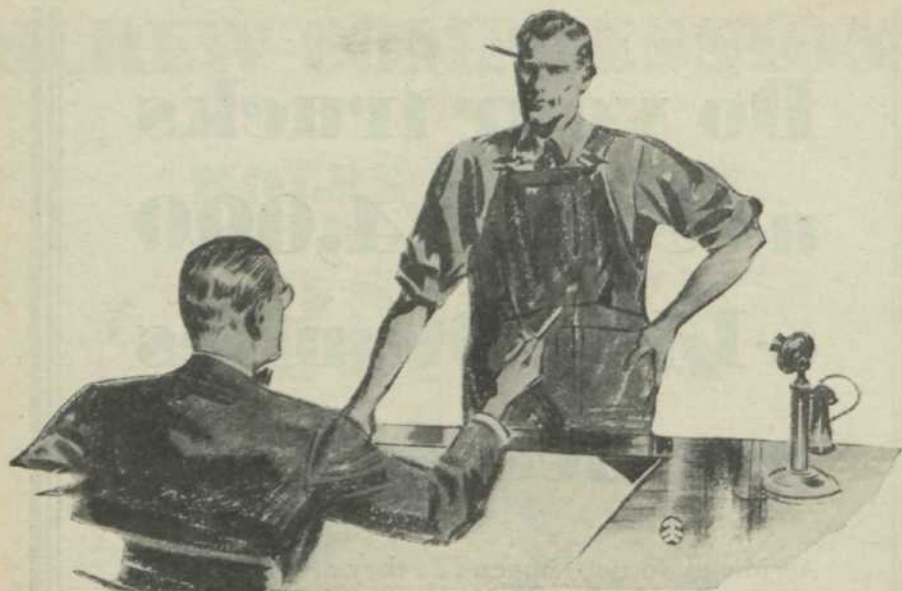
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"Wages paid our workmen today are based on the amount of work they can perform with *power machines*. But too much *handling* in my department is still performed *by hand*. That's what boosts the cost, sir. We're pushing and shoving by main force when electric tractors can do a faster job. And our truckers could then earn more pay."

In this way, the receiving and shipping room foreman explained the high cost of his department to the Superintendent.

And the soundness of the foreman's analysis was quickly demonstrated when an Elwell-Parker Tractor was put to work in his department. Formerly sheet tin had been unloaded and distributed by hand trucks. Handling a carload usually required a full day with four men on the job. With the Tractor one man does the same work in

two hours, at a saving of \$20 a day over the old method.

In your own plant, is too much handling still performed by hand? Would you like to know, in *dollars and cents*, just what savings Elwell-Parkers can bring to your business? The nearest E-P Sales Engineer will be pleased to analyze the situation — and give you the facts gained from E-P service of 22 years in studying industrial haulage problems. No cost or obligation. Phone him or write direct to us.



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chain newspapers in this country have been developed solely on economic and business lines with little, if any, thought of political domination or control of public opinion.

The Hearst group, which possibly may represent the theory of political control, is in the last analysis operated on economic rather than political lines.

Chains Have Grown Rapidly

THERE are now 52 daily newspaper chains in the United States controlling 243 morning and afternoon newspapers, including a somewhat smaller group of Sunday editions.

These newspapers have 37½ per cent of the daily circulations and 46 per cent of the Sunday circulations. If the growth of chain-newspaper ownership continues at the same rate for the next ten years that it has during the past ten years it is probable that approximately two-thirds of the daily newspaper circulations will be centralized in the chain newspaper groups.

The chain-publication ownership is not confined to newspapers nor is it local to the United States. Chain ownership of publications is proportionately greater in England in the daily newspaper field, and in the United States in the magazine, trade paper, and periodical field.

The Northcliffe group (owned by the Berry Brothers), the Rothmere chain, and other English newspaper groups represent not only the largest circulations but also the greatest newspaper capital investment in England.

Le Petit Parisien, Paris, with the largest daily newspaper circulation in the world, is one of the several papers under a single French ownership. There are similar groups elsewhere throughout Europe.

Chain ownership and operation of periodicals, trade papers, and weekly newspapers afford opportunities for greater economies than are possible in the daily newspaper field.

Periodicals and weeklies can be produced from a single central plant obtaining a maximum output from a minimum machinery investment. Central plant operation is nearly always impracticable in the daily field, each newspaper requiring its own plant and equipment and operation as an individual unit.

The mechanical economies in the daily field are therefore confined to advantages of centralized purchase of materials and machinery, in combined capital, in the development and maintenance of news, feature, and allied services, the employment of types of executives and technical ability ordinarily beyond the cost limits of an individual paper, and in the sale of advertising in the national field.

In addition, each paper in the chain has the benefit of the development of the latest and best technical practices of operation, the business methods proven most successful in sale of advertising and circulation, and a call on men and materials in case of necessity or emergency.

The late E. W. Scripps was the real pioneer in chain-newspaper development in the United States, although the opera-

tion of two newspapers under one ownership had existed in a few instances prior to his advent. The inception and growth of the E. W. Scripps group was based entirely on economic lines.

The Scripps-Howard chain, the successor to the Scripps group, is the largest daily newspaper chain and operates papers in 26 cities located in 14 states. The creation and growth of the E. W. Scripps group and its successor, Scripps-Howard, was and is based on commercial and business economics. To the parent paper, *The Penny Press*, established in Cleveland, papers were added in other Ohio cities. The next step was to the rapidly growing and prosperous Pacific Coast.

Then to cities where the general newspaper situation indicated a favorable opportunity. It is doubtful if there was then or is now any primary thought or policy for creating a powerful political force or control.

Capital No Handicap

THE Hearst newspapers, unlike the Scripps group, were backed with ample capital at the start. Starting with the *San Francisco Examiner*, owned by his father, young W. R. Hearst soon entered the New York field with the *American* and the *Journal*, later adding the *Boston American and Advertiser*, the *Chicago American* and the *Herald-Examiner*, the *Los Angeles Examiner and Herald*, and the *Atlanta Georgian*. This original group has been enlarged to include papers in Washington, Baltimore, Milwaukee, Seattle, Oakland, Calif., Detroit, Albany, Syracuse, San Antonio and Pittsburgh. While the Hearst group might be considered from a political standpoint, it is obvious that Mr. Hearst is also actuated by a practical business motive.

The next largest chain in the point of numbers is the Ira Copley newspapers, consisting of four Illinois dailies and 16 California papers. This chain is a recent development.

The Frank E. Gannett chain, with ten papers under one ownership, is primarily a development along economic lines.

The same is true of the Booth Publishing Company chain, with eight papers in the state of Michigan.

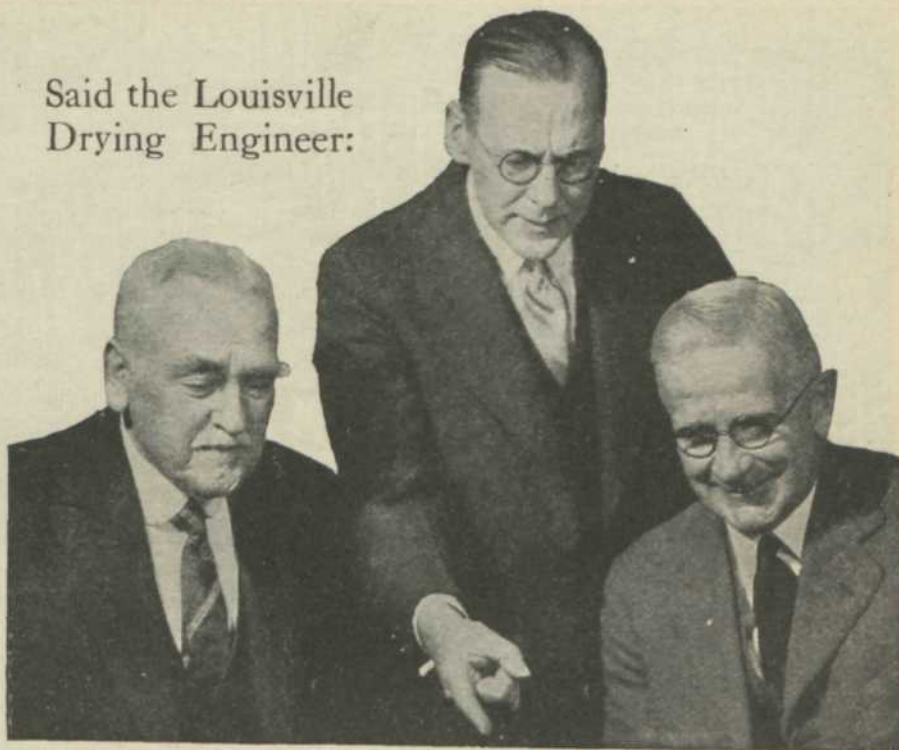
The Mrs. James C. Scripps newspaper chain, with nine papers, are all on the Pacific Coast except one in Dallas, Tex.

The Lee Syndicate has four papers in Iowa, two in Wisconsin, one in Illinois, and one in Missouri, eight in all.

In addition to these and the many smaller daily newspaper chains there are a number of weekly chains. One group in Ohio publishes 15 weeklies. The Affiliated Newspapers of Chicago control 24 country papers in northern Illinois. There is even a larger number of chain ownerships in the weekly field, consisting of two or more papers under one ownership, than in the daily field.

As the newspaper and publication industry is one of the major business factors, it is inevitable that business necessities of the country require that it func-

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"Sounds fine," commented the conservative Superintendent. "But what assurance can you give us that your dryer will do all that you claim?"

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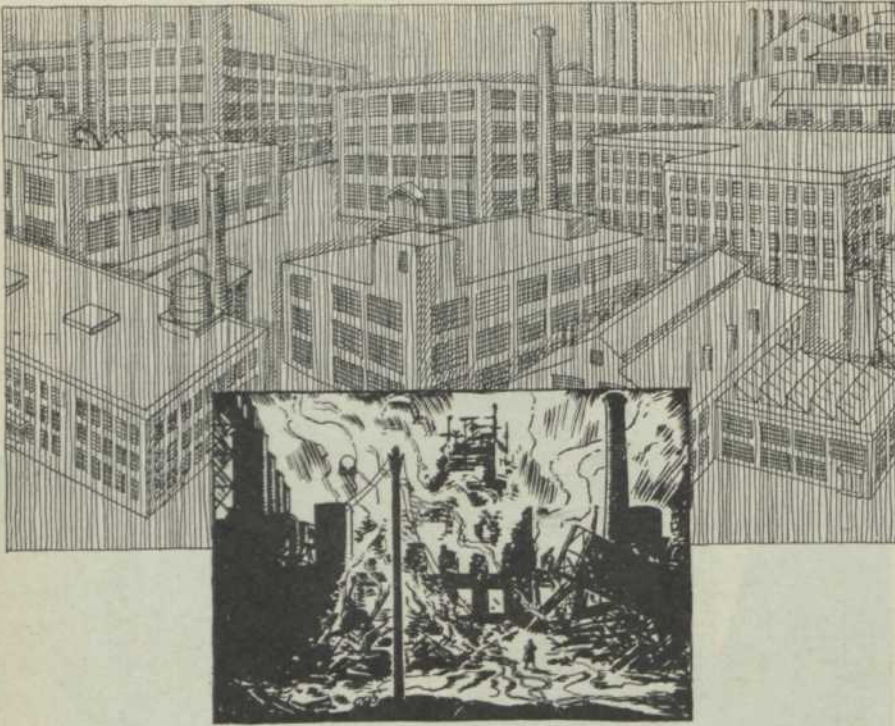
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For example, consider the cost of distribution. As in most businesses, our products—insurance policies—must be distributed over many risks in many territories. In this way we maintain financial strength and are little affected by local catastrophes.

Our distribution expense, however, includes far more than the ordinary sales cost. It entails

vast, intricate records by state and community—even by city block. It necessitates careful inspection of properties and cautious investigation of individuals. Perhaps in no other business is there kept such detailed, accurate and up-to-date information as in the insurance field.

Insurance provides a vital, economic protection. Companies offering this protection supply a far-reaching service which demands and deserves the utmost efficiency and thoroughness. It is only because these companies

have become unusually efficient that insurance rates generally are so low.

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tion along the lines identical with those found best in industry generally. The fact that publishing is in a broad sense a manufacturing business, suggests that to be permanently successful it must be in a large measure conducted in accord with approved manufacturing practices. The success of the chains indicate the economies of this type of ownership.

Good Will Is Greatest Value

THE danger of control of public opinion or the creation of lasting political power through chain newspapers is remote. In no other line of business is the element of good will so large a proportion of the property value. It is rare that the physical and liquid assets of a daily newspaper property exceed more than one-third to two-fifths of its value. Approximately two-thirds of its value is involved in good will, which is represented in terms of circulation.

Abuse of the best interests of the public is followed by an immediate decrease in circulation. No newspaper yet has maintained its circulation which persistently ignored the best interests of the community in which it was located. As advertising rates are based on quality and quantity of circulation any policy which runs contrary to the public interest will quickly affect net earnings.

Money is always sensitive and the amount of capital invested in chain newspaper groups is in itself an assurance that the public interest will not be seriously neglected.

The very nature of the newspaper business insures that danger of a monopoly is remote. No one group could secure such a hold upon public opinion as to become permanently a real political menace.

Chains Have No Advantage

UNDER present methods editors and managers of the papers in chains for the most part are free to exercise their own opinions on national, state, and local political issues. It is not an uncommon incident to find papers in a chain diametrically opposed to each other on state and national political measures. In only one of the major chains does the political policy of the owner appear to dominate all the papers of the group.

The effect of chain newspapers upon the privately owned newspapers competing in the same fields so far does not indicate that the chain newspaper menaces the individually owned paper. While in a few instances chain newspapers occupy the premier position, in the majority of cities nonchain newspapers more often hold the lead.

Given the same ability in management and enterprise, if it publishes an equally good newspaper, the locally owned and operated paper holds its own successfully in its competition with a chain paper. To this extent the public indicates a preference for local ownership and this degree of preference apparently is no greater nor less than it registers in regard to chain merchandising or manufacturing operations.

... and so to bed ... late ... too much supper ... wish

I could get to sleep ... bad dreams ... business worries ...

dog barks ... baby cries ... time to get up ... jangled nerves

... irritable skin.

— *then* is the time your skin
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THE NEW FIFTY BOX

Fifty fresh double-edged Gillette Blades (10 Packets of fives) in a colorful chest that will serve you afterward as a sturdy button box, cigarette box or jewel case... Ideal as a gift, too. Five dollars at your dealer's.

THERE are mornings when a fresh Gillette Blade is better than any pick-me-up you can name.

And there are mornings when your beard is as tough and blue as your state of mind;

when the hot water faucet runs cold and your shaving cream is down to the last squeeze and you scarcely have time to lather anyway; mornings when all the cards seem stacked against your Gillette. But slip in a fresh blade. Enjoy the same smooth, clean shave that you get on the finest morning.

You have to go through the Gillette factory to understand how it's possible to pack so much dependable shaving comfort into a razor blade.

There you see some \$12,000,000 worth of machinery invented and improved continuously for twenty-five years for just one purpose: to make the Gillette Blade—*every* Gillette Blade—do its smooth, expert job *every* morning for the thirty million Americans who count on it.

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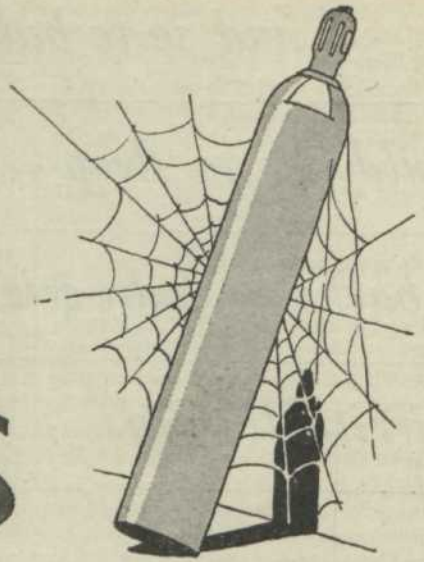
At least a dozen varying conditions affect the comfort of your shave. But the Gillette blade doesn't change. It is the *one* constant factor in your daily shave. Gillette Safety Razor Co., Boston, U. S. A.



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TWO PLANTS



will show increased earnings in 1929

"The remarkable management of the Pennsylvania Railroad is reflected in the 1928 statement of earnings: Gross revenues lower than for any year since 1924; net operating income at a new high peak . . . per-share earnings the largest since 1916."

—Daily Press, February 8th.

REMARKABLE management, indeed! Yet due vigilance in purchasing alone may make the difference between a gain and a loss in net earnings.

In 1924 one concern, believed to be the largest single-plant user of oxygen gas, was presented with a new plan for the purchase of that commodity. The plan was developed by the Kentucky Oxygen-Hydrogen Company, which since 1925 has supplied this plant with all of its oxygen requirements.

During the calendar year 1928 the consuming company purchased 25% more oxygen than in 1924. Yet their oxygen bill for 1928 was approximately \$34,000 less than in 1924.

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A Business Man of the New Day

By WAINWRIGHT EVANS

THERE are two reasons why Ernest T. Trigg, president of the Lucas Paint Company of Philadelphia, is worth telling the business world about. One is that the business world knows much about him already, and likes to get new angles on him. Another is that when you have lined up his essential characteristics as a practicing idealist in business you have at the same time described a rapidly growing class of industrial leaders who are today engaged in reshaping the practices, the codes, the conscious purposes of American business.

Go to any gathering of representative business men today and you find yourself rubbing elbows with an increasing number of men of the Trigg type. They want a better industrial philosophy and a better industrial practice, and they are out to get it. The reason why Trigg stands out among the thousands of business men of this type is not that his thought is different, but that he expresses it with so much point, imagination, and force that he makes it seem like what it really is—common sense, decency, enlightened self-interest, sound economics, and practical Christianity.

Before I had ever seen him some one said to me, in an effort to describe him, "He's a big fellow, and he's easy to talk to. Start him on the trail of an idea and he'll follow it right over the horizon. You'll like him."

I am passing on that estimate because I can't formulate a better one. He is just like that. He is big physically; and he reveals by his words and manner a big, expansive, genial, fearless view of life. Having coped with life with admirable success himself, he likes it and wants everybody else to like it too. His physical bigness and his friendly, easy, relaxed habit of mind are indications of strength and great reserves of energy.

He Has Many Jobs

PERHAPS that accounts for the fact that he is one of the most versatile figures in the business world—able, in addition to his regular duties as head of a great company, to undertake all sorts of outside activities.

He is a director in five or six great organizations, he is a trustee of a university, he is president of the Philadelphia Operatic Society, and was president of the Phil-



BLANK-STOLLER, INC., N. Y.

BESIDES being a paint manufacturer, Ernest T. Trigg is a practicing—we might even say a practical—idealist of the type becoming more and more prevalent in American industry. His philosophy of everyday business is one that is fast gaining ascendancy

Philadelphia Chamber of Commerce for three years.

He began his career by the office-boy route in 1892, and the list of successes, responsibilities, and honors that have come to him during the years since then would take far too much space for attention here. Suffice it to say that he has the drive and the enthusiasm and the power of imagination that are invariably associated with great business success.

As a personality Trigg is markedly devoid of the contractive, cautious, fear-tinged attitude of mind that accounts for much of the dishonesty, cruelty, and shortsighted self-seeking which too often pass for legitimate competition in business. He believes profoundly that American business can be educated out of that sort of thing; and among the conspicuously articulate spokesmen of modern industry there are few who can voice that belief so persuasively. I caught him on the

wing, at the moment when he was on his way to a meeting of the board of directors of the United States Chamber of Commerce. Good-naturedly he consented to a delay, that I might obtain his views on the changing spirit of business practice.

Everlasting Changes

"THERE has been a change—an enormous change—and within the past ten years," he said. "More and greater changes are coming. We are acquiring a new industrial philosophy, and we are learning to measure industrial values by a new yardstick.

"The necessities of a new industrial order started the transformation. Business was up against something that had all the force and authority of a natural law. It had to adjust itself to the conditions or face disaster. It wasn't a matter of high-flown ideals; it was a matter of self-preservation.

"Some business men have accepted the necessity unwillingly; but they feel better now, and are admitting that it's all for the best.

"For example, consider the efforts which the various industries have made and are making to clean house, with the assistance, cooperation and sympathetic good will of the Federal Trade Commission. We have our Trade Practice Conferences, we work out our own codes, we do our own policing, and the Commission is there to help us if we need help.

"No cracking of the whip, no coercion—simply an entire willingness to discard the old and take on the new. Even men who themselves have thought it necessary to indulge in unfair business practices in order to meet competition of a shady sort, are eager for the creation of conditions that will place no premium on such practices. Why do they want that change? Is it sentimentalism? Not at all. They find that everybody loses by such practices, and that competitors who indulge in cutthroat methods simply eat each other up, like the Gingham Dog and the Calico Cat in Eugene Field's poem.

"This means that these men are getting an education. They are waking up to a fact of which economists have been aware for centuries, that the fundamentals of decent and right conduct laid down by Jesus of Nazareth constitute the soundest, most sensible, most workable economic system possible to devise. The further we go in the application of that sys-

tem the better do we find that it works.

"And it isn't a vague Utopian ideal, it's a pragmatic reality. It stands the test of use. Business is astounded—and delighted. It is calling for more.

"Even the most skeptical devotees of the old dog-eat-dog theory of business competition are being gradually persuaded from the sheer, cold pressure of the facts that by such fear-inspired practices nobody can win. War doesn't pay in this complicated industrial world of ours, whether it be a war with guns and gasses or a war of bonuses and bribes. Everybody lost in the World War. It is the same in industry. War of any sort pays less and less because there is a more and more complicated social mechanism for it to smash.

"Industry, therefore, had to work out a new philosophy and a new code for itself. The first necessity it felt was to square itself with the public, which was being injured by things that were happening in industry. Ruinous competition, the crushing of small companies by monopolistic rivals, government prosecutions for this and that, continual strikes—there is no avoiding the punishment such plagues entail. They have to be eliminated."

"Take strikes, for example. It is as obvious as the Sermon on the Mount and the Ten Commandments put together that the welfare of a nation depends on the contentment of its people. That reminds me, by the way, of a thing that happened not long ago when a committee of which I was a member drafted a resolution to express certain views about the rights of human beings in industry.

"We began the resolution by quoting the opening words of the Declaration of Independence, 'We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights'—and so on.

Sentiments Too High-Flown?

"WE thought we had a resounding opening, and that we had done a good job. But there was a bank president who thought such sentiments, when applied to business, were high-flown and perhaps a shade socialistic. He told me what he thought about it, and then added crushingly, 'You might just as well have led off with the Ten Commandments.'

"The Ten Commandments!' I exclaimed. 'Why, my dear fellow, that's a brilliant idea. We may come to quoting the Ten Commandments yet. We may even come to practicing them.'

"And that is pretty well the heart of the matter. It is just another way of saying that we need a sound system of economics.

"But to come back to strikes. The welfare of a nation rests on the contentment of its people. The contentment of the people in turn rests on their liberty to work; on their ability to obtain, not merely the bare necessities of life but a share of its comforts; and on their having reasonable

hours of work and time for play, relaxation, and attention to their spiritual needs. And besides all that it means a saving wage, to provide against sudden adversity and the lessened earning power of old age.

"Of course the ideal condition would be one wherein we should have perfect balance between the necessities of production on the one hand and the available force of workers on the other, so that there would be work all the time for everybody who wanted work. Industry would then produce everything that society needed. It would pay a wage which would endow labor with ample purchasing power to absorb what it had produced. Thus capital would make a fair profit for its service in organizing and directing such production, and would itself buy freely of the products of such cooperation with labor.

We Are Approaching Ideals

"THAT is the ideal; and it lies over yonder where the blue begins. It is our job to attain it as nearly as we may.

"Business ten years ago would not have given whole-hearted assent to such doctrine as that, but it does today. Ten years ago it was considered part of the game to cut wages without compunction as the easiest and simplest way of balancing profit and loss.

"Today wage cutting is the last thing any sane employer wants to resort to. He knows, from experience, that it is wrong and that it makes trouble. He knows wage cutting is utterly bad—bad for the employer, bad for the worker, bad for the nation, destructive to purchasing power, and spiritually deadly because of the fear and want that it creates.

"I think the end of the strike era is in sight, and that the next five years will see an unparalleled gain in relationships of mutual understanding and good will between employer and employee.

"Right here I might say that the employer, in the main, has been to blame for past strikes. I don't say that demands of strikers have always been reasonable. Exasperations, anger and fear have played their part in each situation. But it is the business of every employer to be in such close and sympathetic touch with his employees that exasperation, anger and fear never get control. Of course such closeness of touch has to be predicated on the employer's sincere belief that the interests of the employer and employee are mutual and at bottom identical.

"But that is the educated and economically sophisticated point of view. Employers have to get educated to it slowly. What it really boils down to is a growing consideration on the part of the employers of the human factor in industry. The human factor is the most valuable asset industry produces. If human beings are deprived of their rights, and are therefore unhappy, economical and profitable production is slowed down.

"Every human being has a right to a sufficiency of wholesome food, to a decent,

comfortable home, to the opportunity of regular employment at a saving wage, and to a reasonable leisure. Adults have just as much right to these things as children have to proper living conditions. Under no circumstances should any human being be deprived of them. We are all the children of the State; and these are our inalienable rights. They should be attainable by all who are willing to make a proper effort to get them.

"This is not socialism. The State need have little or nothing to do with it. Industry can deal with the problem. Consider, for instance, the present widespread trend toward employee ownership which makes capitalists out of workingmen and mutualizes financially the interests of men, management, and capital.

Again, it seems highly significant that some business men are already discussing the possibility that we may in time have decentralized manufacturing, made possible by the economical distribution of power, and with the building of smaller communities as a result. The reason they want to see such a condition is that it would create conditions more favorable to the employee in his work and in his life as a citizen.

"Among the efforts being made in business to prevent periods of unemployment I have personally taken a great interest in what is known as the Prosperity Reserve. The theory of the Prosperity Reserve is that the Government authorizes the borrowing of so many millions of dollars for the building, let us say, of roads, or for some other sort of construction work that needs sooner or later to be done. That money is held back till conditions of unemployment arise, whereupon the work begins, labor is employed, and the slack is taken up. This is not a cure-all, but if properly managed it would be an enormous help. The Prosperity Reserve would do for labor something like what the Federal Reserves does for finance.

"Individual industries can do a great deal in the same general direction by planning and distributing work so that there will be no lay-offs. Lack of intelligent planning is at the bottom of most of these troubles. For instance in New York they suspend concrete work in January and February, not because it is necessary but just from habit. In the paint industry certain kinds of inside work can be held back for bad weather. Adjustments are possible in most industries.

Is Business a Public Trust?

"MEN of management and capital are learning to take the attitude that they are in the last analysis working for the public, and for themselves as part of the public. Here is certainly relation of trust and responsibility as real as if every industry were to be classed with what we call public service enterprises. Or consider it this way:

"The elements that have made the American character what it is at its best



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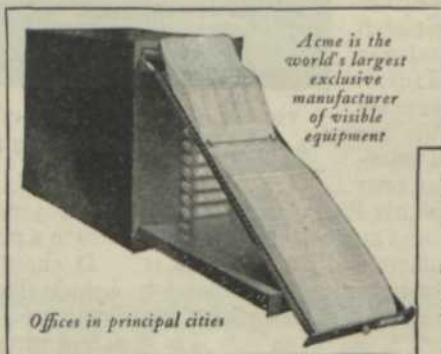
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are liberty, courage, and self-reliance. Capital, so called, and labor, so called, are joint heirs of those qualities. No system of external force can require them to act in harmony. The only thing that can do it is mutuality of interest. I think we are achieving that.

"In its train comes the saving wage—a wage over and above a living wage. This saving wage may take a variety of forms.

"For instance, millions of men and women in American industry today are stockholders in the businesses wherein they find employment. Up to a few years ago the stock in our individual business companies was generally owned by one man or by a small group. Increase of stock ownership by workers is leading us to a condition in which many companies will be owned, or largely so, by the men

and women whose names appear on their pay rolls. That is an example of one kind of saving wage. It is also an example of the mutuality of interest toward which we are working.

Many Benefits of "Saving Wage"

"THE saving wage would provide both a period of leisure in old age and protection from sudden financial reverses. Mainly the purpose of the saving wage would be to allow every man and woman a period of earned leisure after his productive work is done.

"There should be a period in which a man can be entirely free from the work of the world and at liberty to busy himself with things which may have little evident economic importance, but the spiritual importance of which is very great indeed.

"That would be possible only with a saving wage. I believe a universal provision for this wage is one development we may expect in American industry of the future.

"What is the relationship of the United States Chamber of Commerce to such a program as this?

"The initiating, formulating, clarifying, and furthering of such conceptions is, to my mind, one chief reason for the existence of the National Chamber. Of course, I am not referring now to any of my own specific theories about what should be done, but to the general intent of the Chamber's work. We are a clearing house for such ideas, and we have the machinery for making many of them effective. We have a great opportunity and a great responsibility."

A Way to Foreign Markets

By ARTHUR J. GREY

Former American Trade Commissioner to Germany

THE idea of the market seeking out the seller, to American ears, sounds about as plausible as the mountain coming to Mahomet. The seller must pursue the market, any American business man will tell you—and how, he is likely to add. Yet even this rule has an exception to prove it. This particular exception has functioned as such for 700 years. It is the Leipzig Trade Fair.

Up to late in 1922, not unlike numerous other Americans interested in foreign trade, I had been obsessed with the idea that the Leipzig Trade Fair was some sort of semiannual event, intensely German in policy, subject matter, and methods. I understood by the term "intensely German" all that which savored of rather loud and broadcast advertising, cheaply made goods, with their inevitable brand of "made in Germany," numerous booths, stalls and pushcarts, filled with such merchandise and, lastly, throngs of buyers from surrounding countries who would buy quantities of shoddy wares for resale to a trade whose taste was far from discriminating.

However, it was my good fortune to find myself in Germany in the Fall of 1922 as trade commissioner to that country. I spent a week at the Frankfurt on the Main Fall Fair studying its every conceivable phase. I went away with a deep respect for everything German that related to the manufacturing and distribution of merchandise. The following Spring I visited the Leipzig Spring Fair. I also visited the Leipzig Fall Fair of 1923 and the Spring Fair of 1924. Later, when out of the service, I made special trips to the Fall Fair of 1927 and the Spring Fair of 1928. On each occasion I critically studied

everything connected with intensive methods of promoting foreign sales. Unconsciously at first, and with a specific purposefulness later, I appraised the Leipzig Trade Fairs' value in the selling of American goods abroad.

A World Mart

WHAT struck me first at the Leipzig Trade Fair was that it was, and now still more is, an international mart in the broadest sense. While it was originally intended to help German manufacturers to sell to their own people, the post-war economic and social conditions have made Germany realize her international interests more than ever before. The Leipzig Fairs forcibly accentuate this changed attitude on the part of German manufacturers. The creed now is that to obtain better opportunities for themselves, they must offer opportunities to competitors.

The Leipzig Spring Fair easily lead all other German fairs in number of exhibitors last year, boasting a total of 10,106 exhibitors as compared with the Frankfurt Fair's 904, Cologne's 786, Koenigsberg's 719 and Breslau's 390.



A tower of teacups was one of the novelties at a recent Leipzig Fair

The 1,144 foreign exhibitors at the Leipzig Spring Fair of 1928 included 274 from France, 114 from Japan, 99 from Italy, 44 from England, 203 from Austria, 284 from Czechoslovakia, 42 from Switzerland, six from the United States and 78 from other countries.

It is essentially a manufacturer's Fair, for 97 per cent of the exhibitors fall in that class.

The Fair is a most dignified institution and while it is of ancient origin its exhibition buildings are of modern design and facilities. The manner of displaying goods and the many helps offered by the administration to foreign

buyers, enable them to do much business in a minimum of time.

It should be remembered that the Leipzig Trade Fair is not an exposition, but a real, sell-on-the-spot institution. The buyers come there not to "shop" but to buy. During the inflation period in Germany, up to and including the Fall Fair of 1923, and stretching out into the Spring Fair of 1924, the buyers from 44 countries still came with cash in hand and paid for their purchases on the spot.

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It isn't. While most of us cannot hope to attain the time-table exactness of a Lindbergh, a lot of men in the happy thirties and dangerous forties are quietly setting out to master this business of flying.

"Babe" Mcigs, publisher of the Chicago Herald & Examiner, is a licensed pilot and makes his long jumps by air. R. L. Putnam, vice-president of the Magazine of Business, made a six months' air tour in the interest of aviation. Fred Foote solicits space for Life via airplane. Colonel John A. Fishback, Indianapolis manufacturer of pancake flour, flies regularly.

These men regard flying as more or less ordinary routine. Yet all of them hit the happy medium somewhere between flaming youth and chloroformable age.

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Untangling the Government

(Continued from page 34)

there is the Federal Trade Commission. They are "quasi-judicial" bodies. They hand down decisions in the manner of courts. Their members, to a certain degree, are judges. It would be absurd, it would violate "the reign of law" under our system of constitutionalism, to subject them to Cabinet officers and thus to place them under the actual domination of the executive arm.

Some Need Independence

A GAIN, there are independent executive establishments which cannot properly be put under any one Cabinet officer because they serve all the Cabinet officers equally. Such, for instance, is the Civil Service Commission. It acts as an employment agency for all the executive departments under all the Cabinet officers and it accordingly must—without escape—be independent.

Again, and finally, these independent executive establishments do not in any way contravene the Principle of Major Purpose. Each of them is aimed toward just one end. Each of them is a single-thoughted enterprise. Each of them, in military phraseology, has just one mission. Each one of them can devote itself to the accomplishment of that mission unimpeded and undistracted by other inconsistent and conflicting mandates and duties.

From the standpoint, therefore, of our primary principle not one of these independent executive establishments can really and truly be said to constitute in itself a primary "scandal."

Some of them—as, notably, the Veterans' Bureau—could certainly be brought into a better relationship to the rest of the Government. That point will be developed in full at a later stage in these explorations and analyses. It is a point, however, which is not primary but secondary. The primary point—it cannot be too often repeated—is first to get our Government's major purposes disentangled and unraveled and, one by one, separately and clearly seen and stated.

A Look at the Departments

LET us then, dismissing for the moment secondary chores of all sorts, stare straight at our ten executive departments, at our ten great federal enterprises topped in each instance by a Cabinet officer.

In what degree do those officers illustrate the Principle of Major Purpose effectively and satisfactorily? It is a principle, let us remember, which can be given a formulation perhaps better edged and more cutting. It is a principle which could be called also the principle of undivided attention. That is:

A department based properly on major purpose would enable the Cabinet officer at its head to give to that purpose his undivided attention. From that reviewing

stand let us review the ten men who constitute our President's cabinet.

The Secretary of State. His objective is the conduct of foreign affairs. In some degree, while conducting foreign political affairs, he collides with foreign commercial affairs, which particularly pertain to the Secretary of Commerce. On the whole, however, he quite exceptionally fulfills the Principle of Major Purpose. He can keep his eye very thoroughly on the ball of his own game. Walter Brown's Joint Committee on Reorganization found nothing on or about him that it wanted to take away from him.

The Secretary of the Treasury. He is not so lucky. His true great mission is the conduct of the fiscal affairs of the United States. Just when he is thinking, however, of the proper interest rate on short-term securities, up steps the Supervising Architect of the United States and says:

"I'm in your Department. What do you think of the facade of the Post Office at Oskaloosa?"

Or up steps the Surgeon General of the United States and says:

"I'm in your Department. A rat has arrived at San Francisco in a ship from Shanghai, and it proposes to proceed inland with a cargo of bubonic plague, and it must be intercepted."

Or up steps the Commissioner of Prohibition and says:

"I've just caught a bootlegger. How hard should I sock him?"

His Mission is Retarded

IT seems ridiculous that the meditations and concentrations of the Secretary of the Treasury on vital themes of high fiscal and financial science should be interrupted by the vast and alien problems connected with federal building operations, federal health services, and federal criminal law enforcement.

Those three activities clog his main mission and retard it. Mr. Brown would relieve him of the first two of them, and Mr. Hoover of the third.

The Secretary of War. His is a genuinely sad case. He is supposed primarily to keep our army fit to fight. That ought to be enough for anybody. The law prevents it from being enough for him. He has to excavate gulfs and bays into harbors and excavate rivers into canals, and line the rivers with levees to prevent floods, to the extent of some \$100,000,000 in the fiscal year 1930.

This trainer of soldiers now spends nearly as much of his time thinking about the Mississippi River as thinking about the army affairs.

Mr. Brown believes that all his civil engineering responsibility for civilian "public works" should be taken away from him. It is assumed that Mr. Hoover earnestly shares that belief.

The Attorney General. He concentrates, and can concentrate, on certain le-



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gal aspects of the Government's life. There is virtually nothing, of any importance, that really needs to be taken away from him.

The Secretary of the Navy. He, too, can concentrate. The things in his Department which would interrupt his concentration are few and small.

It is perhaps silly that he should govern the people of Samoa and of the Virgin Islands. They probably, however, interrupt his concentration little. He can give himself virtually undividedly to naval warfare.

The Postmaster General. He collects and delivers letters and the like. He can do it with his whole mind. He does nothing else, on any scale worth any intense worry by anybody.

He has some inspectors who do detective work and who might be linked to the Department of Justice. Otherwise he is an irreproachable exemplar of undivided attention at its peak of perfection.

The Versatile Secretary

THE Secretary of the Interior. He is one of the most divided and subdivided public administrators on earth. He runs a rag bag. He has the Bureau of Pensions, which would make you think that it was his job to clean up after wars.

He has the Bureau of Education and Howard University, which would make you think that he was a schoolmaster. He has Freedmen's Hospital and St. Elizabeth's Hospital, the first for colored persons and the second for insane patients and both located in Washington, D. C., which would make you think that he had federal supervision of our health.

He has Alaska and Hawaii, which would make you think that he was a territorial governor.

He has the General Land Office and the National Park Service, which would lead you to believe that he was a great specialist on the public federal landed domain and on conservation.

He has the Office of Indian Affairs, which obliges him to concentrate on the tutelage of aboriginal peoples. He has to concentrate like a revolving lighthouse, winking all the way around the compass in all the colors of the spectrum.

Plans for splitting him up and reassembling him have been current in Washington ever since he came into existence. We will mention a few of those suggested reassemblings in a moment.

Roads, Forests and Farms

THE Secretary of Agriculture. He has just two critically important inconsistencies. He has the Bureau of Public Roads. He supervises all federal assistance to our highway construction. This has nothing to do with running a farm.

He also has the Forest Service, which controls our great federal reserves of trees. Trees may be a crop, but reserves of federal trees would seem to belong more properly to the field of federal conservation, along with the General Land Office and the National Park Service. At least, many persons think so.

The Secretary of Commerce. His Department contains many interesting problems but contains nothing that anybody wants to shift away from it.

The Secretary of Labor. He has the tiniest Department. Most of it is really a Department of Humanity rather than a Department of Labor. Its most important feature is the Bureau of Immigration and the Bureau of Naturalization. We admit immigrants and naturalize them as human beings, not as laborers.

The Secretary of Labor might almost as well—and perhaps better—be called a Secretary of Social Welfare. However, let the Secretary of Labor pass. For the most part, he can concentrate quite undividedly on his major purpose.

That concludes the procession. We have looked only at the high spots, at the mass motions, in it. We have deferred the details. What stands out to note in large letters? This:

Our Federal Government has one major purpose—the purpose of national defense—which is divided between two Departments. The War Department defends on land and in air. The Navy Department defends in air and on sea. Should they be merged to defend together?

Complex Major Purposes

OUR Federal Government has several major purposes which are not clearly insulated under one authority and one management.

There is the major purpose of Education, as illustrated by the Bureau of Education and Howard University in the Interior Department and by the Federal Board for Vocational Education among the independent executive establishments.

There is the major purpose of the care of veterans, as illustrated by the Veterans' Bureau among the independent executive establishments and by the Office of Pensions in the Interior Department.

There is the major purpose of conservation, as illustrated by the General Land Office and the National Park Service in the Interior Department and by the Forest Service in the Department of Agriculture.

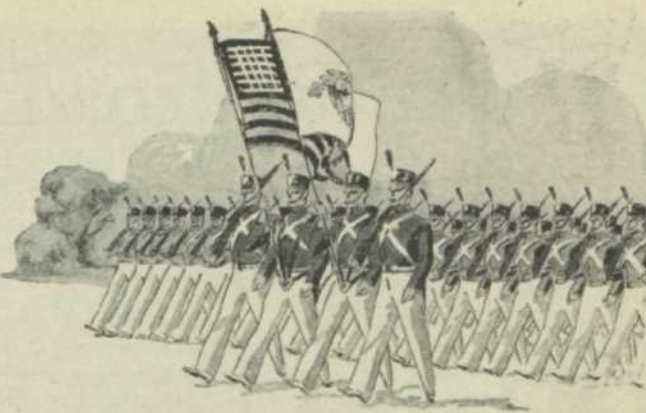
There is the major purpose of public engineering works, as illustrated by the Supervising Architect in the Treasury Department and the Rivers and Harbors enterprises of the War Department.

There is the major purpose of health, as illustrated by St. Elizabeth's Hospital and the Freedmen's Hospital in the Interior Department and the Public Health Service in the Treasury Department.

How shall these major purposes get really effectively realized? That is the high road of federal reorganization. It is the road on which we shall hope to journey toward a glimpse of some major destinations next month.

A third fact-finding article by William Hard on reorganizing the Federal Government will be published in the May NATION'S BUSINESS.

Your Product is always on "Dress Parade"



A uniformly neat and attractive wrapping helps to place it in the front rank



YOUR product is always on Dress Parade—before the great American public. Every day it must "pass inspection." And that is where *uniformly neat* wrapping plays a major role.

Here, for example, are a few of the leading toilet soaps—all wrapped on our machines. The makers of these soaps spend large sums in advertising to create a "quality" atmosphere for their products. The impression of perfection they create must be carried out in the *wrapping*. The design on the package must be perfectly registered; the wrapper must be smooth and tight, the end-folds neatly sealed. The last cake in the day's production must be just as neatly wrapped as the first one that left the

machine. *Perfection! And good business.*

It was easy enough years ago to "get along" with less than a perfect package. But today such a product is under as great a handicap as an untidy salesman.

Is your wrapping perfect?

Compare the wrapping of your package with some others—with these toilet soaps, for example. Or better still, send us a few of your packages. If we can, we will improve the wrapping, sending an actual sample. At the same time, we may be able to suggest ways of lowering costs—we often do.

A package improvement is something to be *actively* sought after—just as you seek larger sales and better profits. Get in touch with our nearest office.

PACKAGE MACHINERY COMPANY, Springfield, Massachusetts

New York: 30 Church Street

Chicago: 111 W. Washington Street

London: Baker Perkins, Ltd., Willesden Junction, N. W. 10



PACKAGE MACHINERY COMPANY

Over 150 Million Packages per day are wrapped on our Machines

The Railroad as a Neighbor

By PAUL SHOUP

President, Southern Pacific Company

ALTHOUGH it cannot borrow a bit of sugar for the breakfast coffee or drop in for an evening of bridge, the Southern Pacific Company is a neighbor of 14 million persons in the eight states through which it operates its 16,500 miles of line. It is a neighbor just as surely as villagers are neighbors and, if it is to get along in neighborly fashion with the people, it must accept a neighbor's obligations. It must be a friendly neighbor, willing to cooperate for the good of the community; willing, in a manner of speaking, to gossip across a back fence.

The neighbor for whom you have the most esteem is usually the neighbor with whom you are best acquainted. Better understanding is the shortest road to friendship—and friendship is only another name for good will. Thus, if you would count good will among your assets, you must take your neighbor into your confidence and he must take you into his; you must assist him in his troubles and, if necessary, ask his assistance in yours.

Naturally many manifestations of neighborliness are closed to a railroad. It cannot lend a lawn mower or a garden hose. It cannot be introduced to its neighbor through a mutual friend who says, "Mr. Jones, meet the Southern Pacific Railroad." It must depend on other devices to make known its friendliness and willingness to cooperate. The Southern Pacific depends primarily on two methods—service and publicity.

The former is the more important because, without it, the latter must depend largely on fiction.

There is nothing so influential in this world as personal contact between man and man, and the nature of that contact determines the benefits that will accrue. A corporation's personality is reflected by those of its workers who are in actual contact with its neighbors. They are the corporation's front line of good will and the best public relationship is established only when they give the best service within their and the company's power.

Talk Alone Doesn't Help

THE man who gets a poor meal on a diner or whose train is late has formed a more profound and lasting impression than could be made by anything we might say about our good intentions toward our neighbors.

Service is not merely the perfunctory carrying on of business. It must be given with a desire to serve. If all along the line every one feels that he is part of the railroad company and represents the com-

pany in his dealings with patrons, if he feels that his actions and demeanor represent the attitude of the company to the patron, then each employe will feel the responsibility of trying to establish good will for the company.

To emphasize the importance of courteous service, our road recently held an essay contest in which 90,000 employes, from red caps to executives, were asked to write their views on this subject.

The grand prize was won by a girl ticket clerk. A red cap took second prize with an essay that related this incident, a splendid illustration of service in practice:

Three weeks ago a taxi drove up to the Oakland ferry station at seven minutes to 4 p. m. A gentleman got out with two bags. I said to him, "What train do you want to catch and what is your berth number?"

He said, "I have no berth or ticket and I want to check my trunk to Detroit, Mich."

I said, "We will have to hurry, as we only have seven minutes to catch the boat for the train." I rushed into the ticket office. Every clerk was busy. I then thought of Mr. Miller, the agent, so I asked him if he could assist me in helping this gentleman to make the Pacific Limited.

He said, "Why, yes"; so he rushed behind the counter, made out the ticket, gave it to me, and I rushed to the baggage room and checked the trunk, and we made the boat OK.

After we got on the boat, the gentleman said, "How about my berth?" I said, "Leave that to me; I'll get you one over at the Pier."

When we arrived, I went to the Pullman conductor and said I wanted to get a berth to Detroit, Mich. He looked on the chart and said, "Lower 4, car 32." I took the gentleman and his baggage into the car.

When he was seated, he said, "Porter, I want to shake hands with you and the Southern Pacific Company. You have the best service in the world."

There are, of course, problems that arise in a corporation that are not individual. They must be handled in some satisfactory way and their solution must be



"Recognition as a good neighbor is worth many times the time and money required to merit it"

considered somebody's special job.

To meet such problems we have a development department that exists primarily to gather the facts affecting any public relationship and present them to the public.

We believe in keeping the public informed in matters of interest to them. This anticipates questions and forestalls criticism arising out of misinformation or misunderstanding.

A feature of this department is a news bureau which gives to the newspapers any facts that are of public interest. If we are to merit and keep the confidence and good

will of reporters and editors, we must be fair and truthful with them at all times.

It is our set policy to reply to any criticism of the railroad that appears in the public prints, a public address or in correspondence coming to our attention, unless the source is so prejudiced as to be known to be beyond correction.

All Criticism Investigated

IF, after investigating the facts, we find the criticism merited, we thank the critic for calling our attention to the situation. It receives our immediate attention. On the other hand, if we find the criticism in error, we inform the critic that he has been misinformed and give him the facts. In nine cases out of 10, he publishes our letter and gives us the opportunity to correct the wrong impression created.

This involves work and costs the railroad a considerable amount each year; yet it is one of the best of bargains in good will.

If a corporation is to have its point of view understood by the public, it must present its story to the public. If the railroad gives good service, it must tell the public about that good service. When the public knows what you are doing, it will believe in you. What the public does not know, it doubts.

We are preparing to build a bridge across Suisun Bay between Martinez and Army Point, in order to eliminate the present need for ferrying trains across the water. We told the public about the pro-



When your Office closes at night

WHEN your office closes at night you'll feel easier if your records are guarded and protected by a GF Allsteel safe.

Each department of your business should have a safe like this. Then, in case of fire—and 70% of them occur during business hours—there will be no confusion in placing valuable papers beyond the reach of heat and flame.

Here is a safe that has withstood every test of the Underwriters' Laboratories—a safe that gives adequate and sure protection.

Every detail of its construction is perfect, and we proudly put our name on it as a product fully up to the exacting GF Allsteel standard of quality, and good looks.

Let us consult with you as to the size of safe, and the interior equipment, that will most adequately fill your needs.

THE GENERAL FIREPROOFING COMPANY
Youngstown, Ohio :: Canadian Plant, Toronto

GF Allsteel Line:

Desks • Safes • Filing Cabinets
Sectional Cases • Supplies
Shelving • Storage Cabinets
... Transfer Cases ...
Document Files • Tables



SERVES and SURVIVES

THE COMPLETE LINE OF OFFICE EQUIPMENT

ATTACH THIS COUPON TO
YOUR FIRM LETTERHEAD

THE GENERAL FIREPROOFING CO., Youngstown, Ohio N. B.
Please send me a copy of the GF Allsteel Safe Catalog.

Name _____
Firm _____
Address _____
City _____ State _____

The Bottlers' Supply Company
BOTTLE HEADQUARTERS
208 JACKSON ST. MILWAUKEE, WIS.

COMPLETE EQUIPMENT FOR THE

Pick

THE BOTTLE FROTH

MAILING CARD
2¢ WELL SPENT

SALESMAN'S DAILY REPORT

OUR POLICY
Complete satisfaction must go with every shipment of merchandise in our company. Your money will be refunded or full credit issued on any supplies returned to you which are not satisfactory in every way.

RAY F. BEEREND
Representing
THE BOTTLE FROTH
208 JACKSON ST. MILWAUKEE, WIS.

POST CARD
2¢ WELL SPENT

THE BOTTLE FROTH
FEATHER SELF-CONTAINED SYRUP MIXER AND FILTER

DESCRIPTIONS

1. Self-contained unit with 10 gallon open tank with tilted bottom, equipped with pump.
2. Agitating mixer with inner revolving pipe and baffles.
3. Special filter and strainer consisting of perforated metal, metal plate, fine mesh screen, filter cloth, and lifting handle, replaceable in less than 10 minutes.
4. Standard tank supports and base.
5. Automatic operating device which operates on upper frame.
6. With pressure pump - 1" pipe with circulating capacity of 10 gallons every minute. Can also be used to pump syrup to other containers after mixing.
7. 1/2, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

PRICE OF ACCESSORIES

Additional filter pad - will be furnished at \$4.00 each when purchased singly, and \$1.00 each when purchased in lots of six or more.

Copper lined cover - one piece cover with dust and moisture will be furnished at \$15.00.

Special Descriptive Folder furnished on request.

Page Twenty-Four

In addition to printing a 110-page catalog, the Multigraph produces letters, circulars, broadsides, bulletins, blotters, and order forms for the Bottlers' Supply Company.

THE MULTIGRAPH

Finance your advertising with Multigraph savings

... here's how the Bottlers' Supply Company does it

To its slogan, "Complete equipment for the bottler," the Bottlers' Supply Company of Milwaukee might accurately add, "sold with a complete program of direct mail." Weekly contacts by mail with an active list of customers are piling up a record business. And much of the credit, according to Ray F. Beerend, president, belongs to the Multigraph.

"Our business for the first six months of this year has shown a tremendous increase," he writes. "The increase is traceable directly to one source . . . and that is direct mail advertising produced on our Multigraph.

"Practically every bit of our printing—yes, 99% of it—is done in our office at a tremendous sav-

ing. If it were not for economies Multigraph effects in our business we could not possibly carry out our present advertising program.

"In closing, we want to go on record as saying that if we couldn't have a Multigraph we'd just as soon quit business."

The Bottlers' Supply Company is one of a multitude of concerns which have found that they can have more advertising and more effective advertising when the Multigraph helps to produce it . . . and Multigraph savings help to pay for it. Any Multigraph representative can tell you how Multigraph methods can be applied to your business.

THE AMERICAN MULTIGRAPH SALES CO.
1806 East 40th Street Cleveland, Ohio

"Direct Mail and the Multigraph"

This is the title of a 36-page book on effective direct mail selling and the application of the Multigraph to present-day sales problems. Mail the coupon for a copy.



The American Multigraph Sales Company,
1806 E. 40th St., Cleveland, Ohio.
Please send a copy of "Direct Mail and the Multi-
graph" to:

Name

Address

City

THE MULTIGRAPH

TONCAN



Wheeling and Lake Erie Railway Specifies RUST-RESISTING TONCAN

orders floors and sides for 1000 gondola cars

THIS outstanding purchase is simply another recognition of the amazing advantages of Toncan Iron.

Heretofore, in designing gondola cars it has been necessary to provide extra thickness in floors and sides to compensate for rust.

Now, with rust-resisting, corrosion-resisting Toncan these cars are made lighter and more durable. Thinner plates! No unnecessary weight! No waste cost! Minimum margin for deterioration.

No other ferrous metal carries on more stubbornly against the vicious attacks of the elements than this scientific alloy of pure iron, copper and molybdenum.

That is why Toncan is used not only for railway cars but for locomotive boilers where the corrosive action is unusually violent—and for culverts, also.

More and more this super iron is being utilized for exposed parts of buildings—seamless pipes—roofs—sinks—washing machines—refrigerators—furnaces—oven linings—and innumerable other things where ordinary metal cannot stand the gaff.

When metal is needed to stand endless exposure, moisture and heat, industry turns to Toncan.

CENTRAL ALLOY STEEL CORPORATION

Massillon and Canton, Ohio

WORLD'S LARGEST AND MOST HIGHLY SPECIALIZED ALLOY STEEL PRODUCERS



posed bridge, why we wanted to build it and the benefits that will accrue. We informed Southern Pacific employees so that they could discuss it with the public. We gave this information wide publicity, and, as a result, encountered almost no objection to our applications for the required approval to build the bridge.

There must be a plan if there is a story to tell to the public at large. It must be told with clarity and brevity. The men and women in the service must be ready to answer questions about the project.

Various public utilities have found it necessary to establish public relations departments which are more than mere publicity departments.

That work is efficient and useful as long as it is confined within reasonable bounds, and for the purposes created. There must be no assumptions; if you do not have the facts, do not try to create them by assumption. If you cannot prove your case to yourself you cannot prove it to the public.

It is better to understate your position than to overstate it and then be unable to sustain your position. It is better to deal with specific items than to get out general broadsides.

Helps Civic Organizations

IN each of the larger communities along our lines there are civic organizations, formed to build up these communities. Many of them do effective work and the railroad probably receives as great benefits from the good they do as any other business. With these we wish to cooperate fully.

Southern Pacific regards itself not as an outsider, but as a citizen of the community, with as great an interest in its development as anyone else.

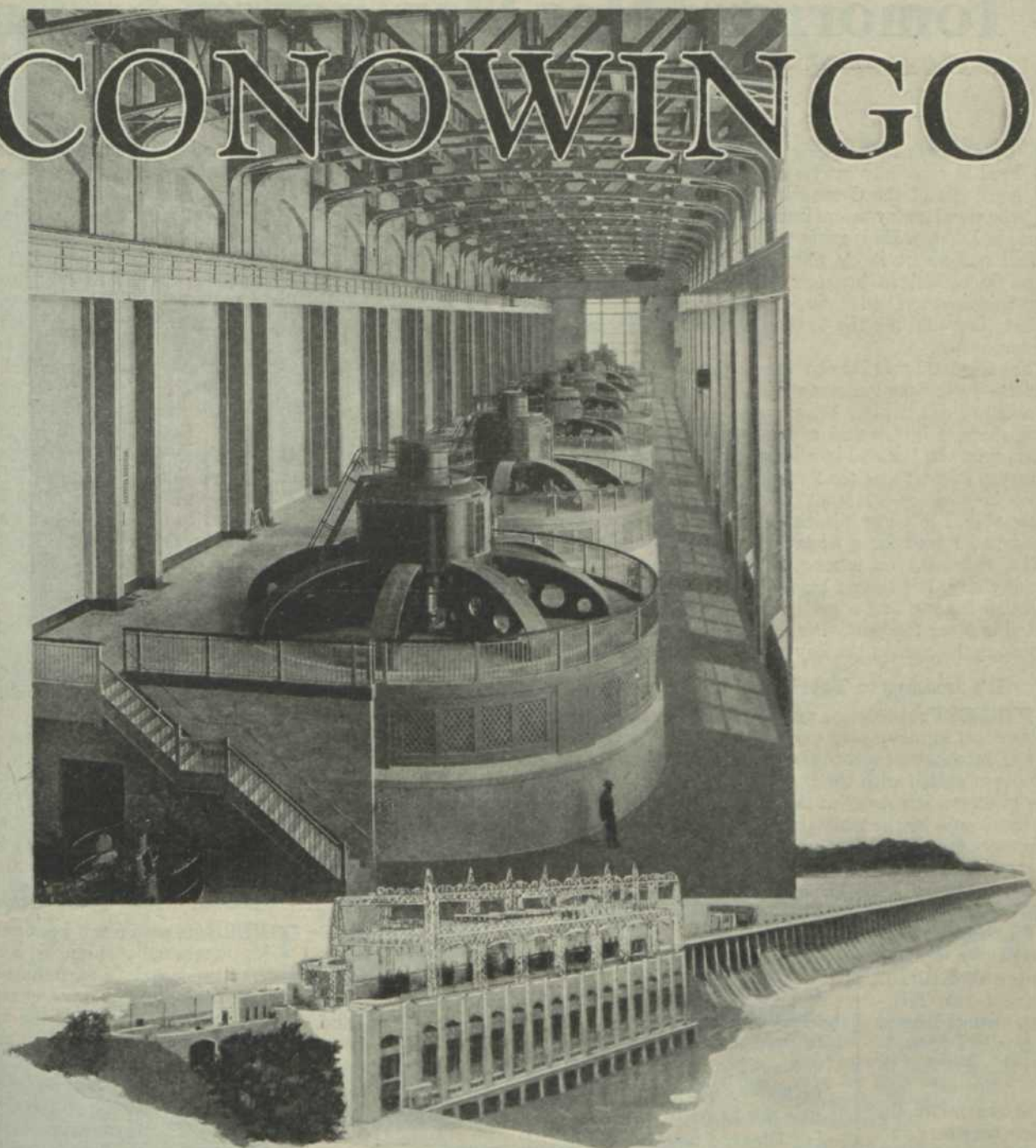
In considering all of these problems as common, a representative of the company meets the local committee to discuss the situation. We see to it that our local representative is a party to these discussions.

There are, of course, a great many opportunities for publicity that we cannot take, and a lot we do not want. There may be organizations formed where they are not needed, sometimes promoted by professional promoters for commissions.

With respect to contributions, we wish to be sure that every dollar we contribute to a civic cause is spent for the purpose for which it is given. Consequently we do not contribute to organizations if the investigation of our man on the spot reveals that any of the money goes for commissions or for private use.

But, once convinced a project is for the good of a community it serves, the road is eager to cooperate. There are, of course, various obligations and interests in certain communities that do not obtain in others but the company earnestly seeks the good wishes of the people in every district. It uses every legitimate means to tell its story to its neighbors and to have them tell their stories to it. If the company is recognized as a good neighbor, that recognition is worth many times the time and money required to merit it.

CONOWINGO



Largest Block of Power, either steam or hydro, ever installed in one operation. Finished six months ahead of schedule.

Stone & Webster, Inc., designers, builders, and consulting engineers

STONE & WEBSTER

INCORPORATED



Tomorrow Has Dawned in Spain

By FRANCIS COPELAND

I DINED with Fred Kelly in Paris. Fred is especially interested in the home life of the Grenadier Guards who stand sentry before Buckingham Palace in London. He is going to London to find out about it by following one home. So as not to interfere with his plans I decided to go to Spain.

First they told me the food in Spain was impossible.

Then they said that I'd be robbed right and left—just as the Parisian waiter gave me a bill of \$11 a plate for our dinner. Being short, I borrowed a thousand francs, paid the bill and bought a ticket for Spain. I found that the food in Spain is not impossible—and that prices are reasonable. I left Paris in the rain. In fact it had rained for a week. I arrived at San Sebastian on a most beautiful sunny day. It's the off season in San Sebastian but we had a good meal and started in a car for Santander, 150 miles west along the coast of the Bay of Biscay.

It's Inviting to Tourists

A PERFECT road along a mountainous seacoast in many places cut into the sides of mountains overhanging a bright blue ocean dotted with the boats of sardine fishermen. If in America, this road and seacoast would be the glory of all advertising agencies and the site of developments which would make Florida ashamed and the vocabulary of a southern Californian mild.

Half way to Santander is Bilbao, where I saw Kipling's "stout Bilbao tramps" (I had always thought that to be a misprint), iron mines, coal mines, tin mines, smelters and many ships—a live town.

On over good roads along a scenic shore line to Santander where we found a telephone cable factory—equipped with American, Swiss, French and Spanish machinery under direction of a Spanish superintendent. The factory was turning out miles and miles of lead-covered telephone cable, such as one sees at Forty-second Street and Fifth Avenue, being fed into a manhole from a giant spool.

Back next day to San Sebastian—where I met the man who, defying all precedents, took his truck and linemen into France at midnight and fixed a telephone line so President Coolidge could talk to King Alfonso. Yes, he was a Spaniard.

It's a twelve-hour trip from San Se-

bastian to Madrid. Spain is mountainous and consequently the railroads do not have the speed they do in flatter countries. Nor is the trip particularly inviting to the traveler.

I wonder just what impression one would have of the United States if the chief point of entry was at El Paso and then by train for two days across New Mexico and Arizona.

The traveler to Madrid gets a fleeting glimpse of the wonderland around San Sebastian, then is plunged into the Pyrenees to emerge on the great plateau, an eight-hour journey across a semiarid country from Madrid—Salt Lake City to Spokane over the Oregon Short Line. The grandeur of the Rockies and the semiarid soil of Utah and Idaho—the grandeur of the Pyrenees and the semiarid soil of Castile.

Madrid is a new city only 500 years old. It's the capital of the country—few factories but like Washington full of government employes and headquarters of offices of innumerable businesses. A beautiful modern city as modern cities go in Europe.

Here I met the Ford of Spain—the burro. I underrated this picturesque animal at first. He is so small and goes so slowly and seems so inadequate. But one day I saw five men having a difficult time placing a great bag full of hay upon a burro's back. The bag and contents weighed at least 400 pounds. So I investigated the burro. A good specimen costs \$20, goes two and one-half miles an hour, carries 500 pounds of anything, lives on odds and ends of food, and stands without hitching.

A Ford truck, which costs in Spain \$1,000, goes 20 miles an hour, carries 2,000 pounds and eats gasoline and oil, both expensive. You can buy 50 burros for the cost of one Ford truck. Add to that the fact that even an old-fashioned Ford cannot go through many of the streets or up the sides of mountains on a bridle path and the burro still stays in the picture. Moreover every one seems able to scrape together up to \$20 for a burro, while few can afford a \$1,000 Ford.

I have always been told that building was a sign of progress. Building is going on in every city in Spain—in Cadiz new sewers and new streets, in Seville new hotels, new factories, a new subdivision, and an international exposition, in Madrid

new offices and a new fourteen-story telephone building. In Barcelona a bird's-eye view of the city shows much new construction and a great industrial exhibition on the hill overlooking the city.

The lumberman in Spain has had little chance in the past and the future does not look bright for him. However, the country is a brick and tile manufacturers' paradise. The houses are clean and cool. Coolness seems to be an essential, for the thermometer goes above 100 and stays there in the summer days—"but it's cool at night." That sounds so familiar. My Chevy Chase and Montclair and Pasadena friends all say the same.

At Algeciras we had to catch the 5:50 a. m. boat to Gibraltar—and we got an excellent breakfast at five. The Spanish chauffeur was on the job at 5:30 a. m. and the boat was off on time.

In old Cadiz, a city of alleys around which runs a beautiful boulevard, I saw a 32,000-ton Spanish ship depart for South America. We don't realize at home that there are trans-Atlantic lines that don't go to New York.

In Madrid I put in a long-distance call for Palo Alto, Calif., and in 20 minutes had my connection.

Spain is not the Spain detailed to me by tourists, nor is it the Spain which one seems to get the impression of in other countries of Europe.

There Is a New Spain Growing

THERE are good roads, built and building; a renewal of shipping; a building program; a feeling of friendliness to the foreigner; an atmosphere of a new Spain.

The Spaniard has doffed the sash and thrown away his guitar, if he ever had one.

But withal there is still the old Spain, the Spain of the Romans, the Visigoths, the Moors. There are relics of interest beyond any I've seen elsewhere in Europe, treasures for tourists to seek and enjoy.

San Sebastian to Vigo, a wonderful coast line; Barcelona, one of the three great ports of Europe in the Middle Ages, robbed of its prestige by the discovery of Christopher Columbus who came to that very port to show the king and queen his discoveries. For when the Atlantic took the trade of the world from the Mediterranean, Barcelona's trading supremacy waned. It is now back as the greatest industrial city in Spain.

The fertile valleys of Andalusia—majestic mountains rivaling Gibraltar along the southern coast—Toledo, the ancient capital of Spain—Granada and Seville of Moorish history—and the modern Madrid. Spain of centuries ago, Spain of yesterday, Spain of today—for manana has dawned in Spain.

ONE traveler to Spain entered by a perfect road through scenic mountains, found factories and modernism but enough of picturesque old Spain to gladden the heart of any tourist. Pleased by the combination, he wrote us: "Manana has dawned—"

LONG LEAF
SHORT LEAF
**SOUTHERN
PINE***

THE SUPREME STRUCTURAL WOOD OF THE WORLD



THE BATTERING RAM OF STRESS... AND TIME

TONS upon tons of giant stamping machines . . . ponderous lathes . . . heavy shafting and pulleys . . . loaded trains and trucks . . . all pounding, whirling, vibrating, rumbling . . . a stupendous force that beats relentlessly against floors and walls and pillars of a great factory. But, try as it may, this triple battering ram of stress, strain and weight spends itself harmlessly against resilient, shock-absorbing, super-strong, durable Southern Pine.

Every structure, worthy of long-time service, must withstand onslaughts of lesser or greater degree—your home, your church, the school, your barns . . . In industry, freight cars, docks, trestles, truck bodies, farm implements, concrete forms. To be sure of the safety that comes with strength and the economy that comes with durability, insist upon Southern Pine.

Cut true and square, seasoned dry to meet every requirement, graded more exacting than ever, conforming to American Lumber Standards—and, so every user may know positively he obtains the grade he wants, the piece bears indelibly the mark of the expert grader and the trade-mark of the mill which manufactured it—and back of it all, the certification of grades of the Southern Pine Association.

Ask your Retail Lumberman for Grade-Marked, Trade-Marked Southern Pine

SOUTHERN PINE ASSOCIATION
NEW ORLEANS, LOUISIANA



Scene in a large cotton mill at Chicopee, Ga., built of Southern Pine. It is two stories high and 236 by 936 feet in size.

*Long Leaf Southern Pine gives maximum strength, rigidity and durability to construction. Short Leaf Southern Pine is unsurpassed in beauty of grain, workability and soft texture.



These letters at the right of "SPA" identify the grade. The designation here is one of 15 grade-marks appearing on lumber from Southern Pine Association mills.

Advertisement No. 3
—one of a series

When writing to SOUTHERN PINE ASSOCIATION please mention Nation's Business



The entrance of Selfridge's great department store in London typifies the monumental character the institution itself possesses

How We Fit the Man to His Job

By H. J. CLARKE

Director, Selfridge & Co., Ltd., London

IT IS the purpose of those in the House of Selfridge¹ who are responsible for the education of potential salesmen and saleswomen to train each one not so much to become efficient in a job, but rather to excel in the job—the job he or she is really fitted to do. Our training methods, therefore, are intensive, and it is because, after my recent visit to the largest stores in Canada and the United States, I realize that they differ in many respects from those I saw and heard about, that I venture to give some outline of the system we employ.

There is still a tendency in some quarters to regard any welfare or training scheme only as an insurance policy. This is not the view of this house. Welfare and training schemes in our opinion are a successful means of stopping waste of human efficiency. In addition to conserving efficiency, such plans should also generate it; otherwise, they are not carefully or sufficiently developed.

¹ Selfridge & Co., Ltd., the great London department store, headed by H. Gordon Selfridge. Besides its main store in London, the company operates nearly a score of branches in other parts of the country.



Intensive methods are used in this store to train employees for jobs they are best qualified to fill

In formulating our training policy, we first of all tried to determine what were the enemies of productivity in commercial life. Our conclusion was that the foes to be fought and overcome were lack of knowledge, physical weakness, and lack of the cooperative sense. An Education Department was obviously required to deal with the first, particularly as our secondary and public schools do not as yet include in their curriculum the fundamental principles of business training.

Commerce Comes Into Its Own

GREAT BRITAIN takes a long time to overcome old prejudices and traditions, but it is a fact that it is at last being recognized here that commerce is as much a science as astronomy, and that it can be



in every way an honorable profession.

We regard the spirit of service as the bedrock of business tradition. Further, we teach, practice, and believe that no obstacle that stands in the way of progress can be considered insurmountable. Finally, we try to instill into all our members the belief that to do a thing well for the sake of doing it well is what really counts. These considerations, then, constitute our conception of business philosophy.

The procedure which governs newcomers in this organization is much the same as that in America. All members, both selling and non-selling, heads of departments and assistants alike, are instructed in the policy, system and rules of the house. Each new selling member is given a Seller's Guide and to all new members is handed a System Guide. After the newcomer completes the instruction course, a test is given to insure that he is ready for his duties.

Experience has taught us that the student of today is the section head of tomorrow and our student class, therefore, is recruited from the young men of 17 or 18 who have just left the public schools.

Occasionally a man of perhaps 22 who

 A FAMOUS LEGIONNAIRE 

MAJOR - GENERAL

Mason M. Patrick and his...

ELGIN Legionnaire



MAJOR-GENERAL MASON M. PATRICK
Chief of the Air Service, American Expeditionary Forces

"In war, with its zero hours, its rolling barrages, the meeting of swift flying aircraft at a chosen place in the sky, everything must move with clock-like precision and the watches which regulate these movements must be absolutely dependable and accurate. This was borne in upon me in trying days in France. No one wants another war, but in war or peace a soldier, or in fact any man, should be glad to have his uprisings and downsittings regulated by so good a watch as the Legionnaire."

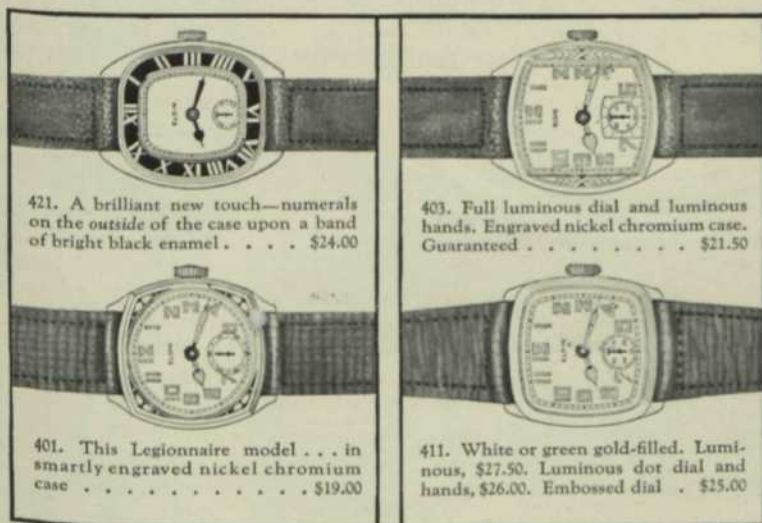
Mason M. Patrick

★ ★ ★ ★ ★

Famous legionnaires, and thousands of other men, are wearing ELGIN LEGIONNAIRES because they're just about the finest thing in wrist watches ever produced at anywhere near their prices. The war is over... but a wrist watch never gets a minute's peace. It's always being banged around, thumped about, treated just as you would expect a busy, masculine, active man to treat a watch. You can't make men's habits over to fit their watches, but you can make a watch to fit their habits. At least, Elgin can. And did. A strong, husky watch, built to take the whip of a golf club, the rigors of a hunting trip. Yet it's so smart and swanky that a style-wise woman would pick it unhesitatingly for its smartness in buying a gift for her best-beloved.

Any Elgin jeweler will be happy, sir, to put the Legionnaires on parade for your inspection. Guaranteed fully and faithfully by Elgin. Priced from \$19.00 to \$28.50 everywhere.

• ELGIN WATCHES ARE AMERICAN MADE •



Watches shown $\frac{3}{4}$ actual size

© Elgin, 1929. (All prices slightly higher in Canada.)



Priced From
\$19 to \$28.50





GRINNELL

WHAT DOES THIS NAME MEAN TO YOU?

Each one of these men
ought to see what the
others see!



I SEE in Grinnell a **COPPER UNIT HEATER** called "Thermolier". It is the highest development of a type of heating which is rapidly becoming standard for industrial and commercial buildings on account of lightness, cheapness and all around efficiency. My own contractor told me "Thermolier" was superior in fourteen definite ways.



I SEE the best in every kind of **PIPE FABRICATION** work.—100% **TRIPLE XXX** pipe joints for steam pressures up to 1,350 lbs. Intricate pipe bends—welded headers—simple pipe cutting and threading to sketch. Anything in pipe fabrication.



I SEE a complete line of **PIPE HANGERS**—easily adjustable. They cut the cost of installation and maintenance. They meet every condition of pipe hanging as found out by installation foremen in the last fifty years.



I SEE the line of **CAST IRON FITTINGS** which always make better jobs with less labor. They are accurately threaded, beautifully moulded and painstakingly inspected. When once up, they are up forever—tight and straight.



I SEE new progress in **HUMIDIFICATION**, because a Grinnell Company inventor gave to the American Moistening Co., a subsidiary, the most dependable device for controlling humidity that the world has ever seen. It controls all the wide line of apparatus which the company sells and installs.



Quartz Bulb Sprinkler

I SEE in Grinnell the world's largest contractors for **AUTOMATIC SPRINKLER** systems. The famous Quartz Bulb Sprinkler head is the outstanding invention in fire protection in this generation. It will further reduce fire losses in sprinklered properties. Its superiority over the solder head is six fold:

- 1 Quicker to operate than the solder sealed head.
- 2 Its operating element is proof against corrosion, while metal parts can be lead coated for severe conditions.
- 3 Operates even when encrusted or "loaded".
- 4 Great factor of safety. Can withstand temperatures closer to its operating point than solder heads without affecting its future reliability. Can stand 1,000 lbs. water pressure.
- 5 Its operating temperature is constant throughout the years. Solder heads, even under normal conditions, grow less sensitive with time.
- 6 Its greater durability means less maintenance expense.



Why Wear Blinders?

Executives, engineers and architects always find that to standardize on Grinnell products through the whole range of industrial piping is to insure supreme quality. Write us today for further information on any of these products or services which you don't know all about. Address: GRINNELL CO., Inc., 250 West Exchange St., Providence, R. I.

has just come down from one of our universities is entered as a student, but we have obtained better results by taking the young man direct from his public school. He is more impressionable, more ready to absorb detail and to agree to discipline than the man with varsity experience who must more often than not unlearn many things before he can be started on the right road.

The public school tradition is one of the finest products of this old country. Every public school boy firmly believes that his particular school is the finest in the world. He is proud to belong to it and his greatest ambition is to represent it in some competitive game.

Keeping Alive the Team Spirit

THIS spirit puts the honor and glory of the school before the honor and glory of the individual. We, in this house, endeavor to keep that team spirit alive when these young men come to us. It is a great thing for the house, and a great thing for business and results are proving that it is building up a house tradition on the same lines as the public school traditions.

The students are closely watched. Their technical training is the concern of their immediate departmental head, but their general guidance is directly the care of the staff manager, and in the close cooperation of the two is found the strength and success of the policy governing these young people. It is a psychological fact that many persons learn more quickly by the eye than by the ear. To this end demonstrations on the art of salesmanship are frequently given. Students are further encouraged to attend continuation and evening classes, and to join the best libraries.

Fortnightly expeditions to places of educational and historical interest are organized and well supported. In special cases grants are made toward expenses. This is not an act of philanthropy but rather evidence of our belief that no management can draw from any organization of workers more than it gives. Conversely no workers can expect to gain from their shop or warehouse or shipyard more than they put into it. Only when both sides give will both sides gain.

The second point on which we concentrate is health. By this we mean health in mind as well as in body. Here we believe that the keynote to success in this work is to promote from the start an atmosphere of sincerity and confidence. There must be no consideration of charity on the one hand nor suspicion of condescension on the other.

A small but none the less interesting fact, which in our opinion, helps to create the desired atmosphere at the outset is that we do not use the words "employers" and "employees."



Dances, concerts, whist drives and other entertainments are held frequently at the Selfridge Pavilion by the many employees of the firm

All workers in this house, from Mr. Selfridge down, are spoken of as "members" of the organization.

American stores, of course, have welfare departments to look after the bodily health of the staff. Some of those I saw were wonderfully efficient, in fact so efficient down to the minutest detail that one felt they were just marvellous machines, so much so that there seemed a risk of the human side being overwhelmed by the mechanical.

Our welfare arrangements are on the same lines, but with the constant study of the human side of the picture. This department is notified daily of all absentees, not so much from the point of view of being absolutely up to date with all statistical information but to enable our welfare workers to keep in touch with all cases of illness and accidents, to visit when necessary, particularly in cases where members of our organization are living alone, or in lodgings, and to insure that assistance in money or kind is available from the very start. Members receive full wages during illness up to three calendar months

A Policy of Mutual Helpfulness

IN addition voluntary subscriptions are made to general, dental and ophthalmic hospitals, as a result of which members

have neither difficulty nor expense in obtaining specialized treatment when necessary. The usual first aid rooms with doctor and nurses in attendance are, of course, part of the equipment of our welfare department.

The underlying principle in the welfare work of our organization is that each one must be out to help, advise and guide the other. The policy is one of communal constructiveness, and from this policy comes into being our conception of the cooperative spirit.

Now we come to the third main foe of productivity, namely, lack of the cooperative sense. And here, perhaps, we have advanced a little further than the United States in our efforts to instill into our business training the true cooperative spirit. It may be said in reply that the conditions of the two countries are entirely different, that the staffs have a different mentality, that conditions of labor are so wide apart that it would be impossible to drive home into the minds of the American salesman and saleswoman that spirit of cooperativeness between themselves and the managerial side, which is growing so steadfastly in the business houses of Great Britain.

Here are some of the ways we use to make this cooperative sense a living thing: We have a Staff Council, an elected

and representative body, drawn from every quarter of the organization. Its especial cares are the physical and general conditions of business life, the morality, discipline and loyalty of the house, and the improvement and elevation of every occupation within the business.

It does much useful work in making suggestions to the management for improved comfort and efficiency that might otherwise, in so large an organization, escape notice



The Selfridge Club's fifteen-acre sport ground is a gift from the management. Employees find there many forms of recreation

Like six secretaries...

When you say it to the Ediphone



If you buzzed every time you had an idea to dictate, you would need six secretaries.

Don't warm over your thoughts.

Dictate them when they are on the tip of your tongue. Then they are neither forgotten nor half expressed.

It is not volume of correspondence that makes the greatest need for an Ediphone. It is the freedom from office routine; the ability to *speak your mind any time*. That is the thing that makes the Ediphone so popular today.

Our National Service will prove this at your desk and guarantee the continued satisfaction of your entire office. Hundreds of our old customers, nearby, will tell you so. Telephone "The Ediphone," your city, or write for our book, "Getting Action."

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Edison's New Dictating Machine

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Evening over the Coast to Coast Blue Network.

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for some time. But its greatest power as a responsible body lies in the participating character of its labors. To each staff councillor comes the knowledge that he is helping to maintain and foster the spirit, honor and policy of the house, and it is the responsibility and privilege of each one to help build its fortunes and efficiency.

Last, in our efforts to foster the cooperative spirit, we go perhaps further than America has ever dreamed of going. I refer to the Selfridge Club.

This club acts as the connecting link between business and recreation. It is, of course, purely voluntary to join, but the majority of the members of the house belong to it.

It caters to the recreation and social side of our family, irrespective of their position in the store. The club grounds are about eight miles from the main store, and arrangements with the railway company feeding the district make it easy and economical for members to get there. Our sports ground, some 15 acres in extent, is a gift from the management, and comprises football, cricket, hockey, and netball pitches, 19 lawn tennis courts and a six rink bowling green.

The Club Is Cooperative

THE cooperative sense is maintained by means of a voluntary subscription of 2 pence per week. As a result, members feel a direct and personal interest in the administration of their club, and with this interest is linked indissolubly a sense of responsibility for its property, its tone and its future.

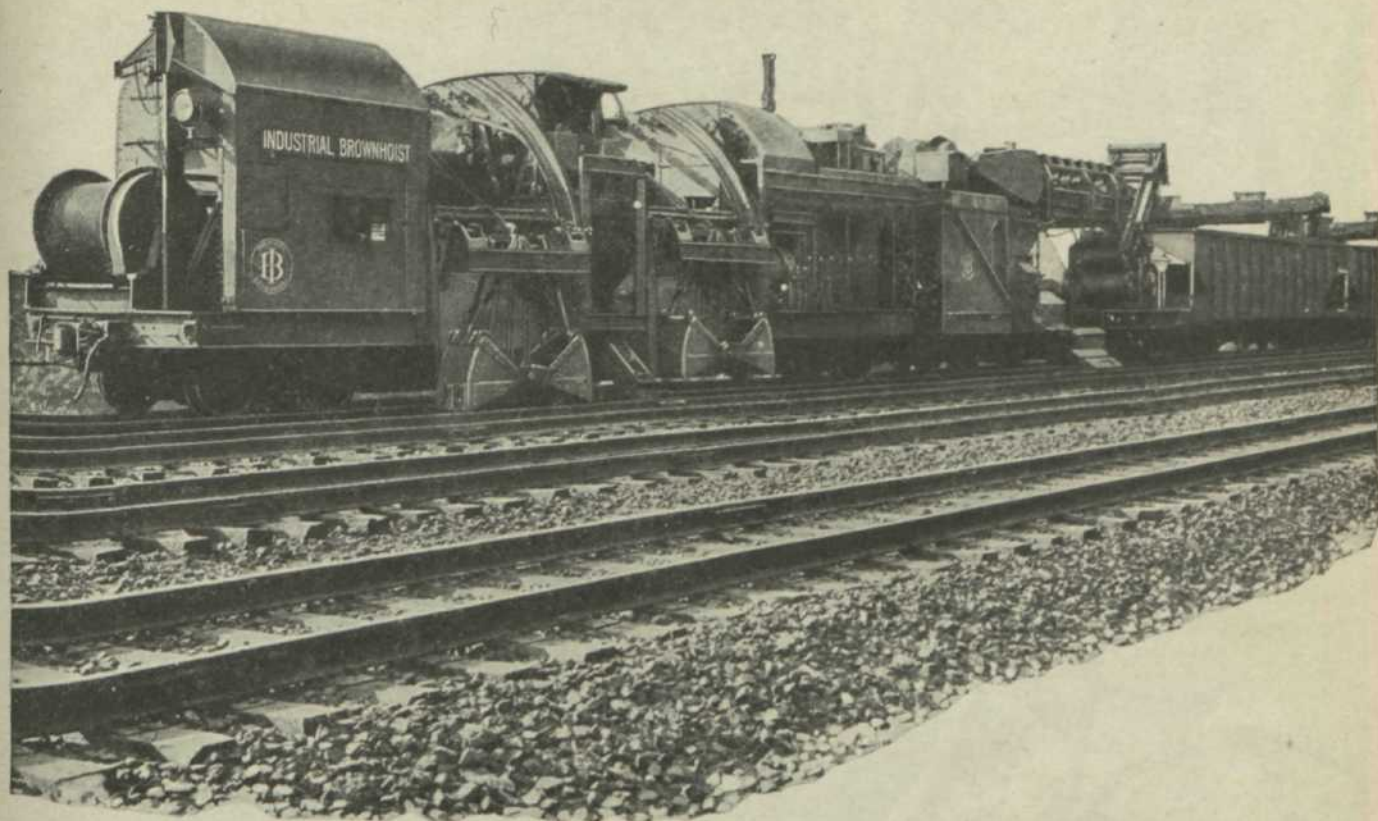
In the club pavilion, also the gift of the management, is a dance hall where 500 persons can dance in comfort. Dances, concerts, whist drives and other entertainments are held frequently. The club is controlled by a general executive committee under the presidency of Mr. Selfridge. Of the committee members, 50 per cent are elected by the staff, and the other 50 per cent nominated by the management.

Besides a social committee, there are subcommittees taking care of activities, such as cricket, football, tennis, hockey, swimming, athletics, badminton, bowls, dances, dramatic club, explorer's club, net ball, rowing, cycling, rugby, radio, and musical society.

It has been asked whether our methods justify the cost. Our reply is that, for the comparatively small outlay, one is repaid a thousand times over. The delightful atmosphere, the spirit of good will toward each other, the determination to serve the public to the best of one's ability, are matters which cannot be discussed in terms of pounds or dollars, but, at the same time, they are of immense value to the business.

Efficiency and still greater efficiency must be the ideal of every executive, but without equally serious study of the human element it becomes a ghastly business. Keen interest and heart throbbing enthusiasm produce a condition which, if wisely controlled, begets not only efficiency, but a force which is irresistible.

THIS IRON MONSTER



**"vacuum cleans" the roadbed . . .
for the smooth, swift run of the trains**

LIKE A GIANT BULLFROG, it hunches itself along the railroad track, gobbling up stones. It's more talented by far than Mark Twain's famous "Dan'l," which, brim-full of shot, could scarcely "h'ist his shoulders."

If you caught a glimpse of this strange monster through the window of a Pennsylvania train, it might look to you like some prehistoric animal.

You would never think of it as affecting your own comfort. Yet its "mighty gobbling" is one of the chief reasons why you ride so smoothly.

As this huge machine moves steadily along the track, it scoops up the stones which ballast the roadbed. It shakes and sifts them clean of dirt. It dumps them out again and smooths them to the proper level . . . all in one operation!

Stone ballast must be most carefully cleaned and laid. Otherwise it would not drain well. Soft spots in the track would result; and these would tend to

increase the swaying and vibration of moving cars. Clean, well-laid ballast means comfort in riding. Until a few years ago, ballast cleaning was slow and difficult work. It involved several separate operations. Now, after years of research and experimentation, this new machine moves over the rails, cleaning and re-laying the ballast in one continuous operation—and doing it at the rate of 1,200 feet an hour!

DAY AND NIGHT, over 30,000 Maintenance of Way men are working to perfect and condition the Pennsylvania's roadbed. In 1928, the purchase of 300,000 tons of steel rails was authorized—and 260,000 tons more in 1929. Much of this huge purchase is used for replacing the present heavy rails with yet heavier ones, so that the trains may glide even more smoothly . . . Like the Pennsylvania's whole army of 176,000 employees, the Maintenance of Way men are united in an effort to reach ever better standards of service.

*Leaders of the largest fleet
of trains in America*

BROADWAY LIMITED
New York and Chicago—20 hours

THE AMERICAN
St. Louis and New York—24 hours

LIBERTY LIMITED
Chicago and Washington—19 hours

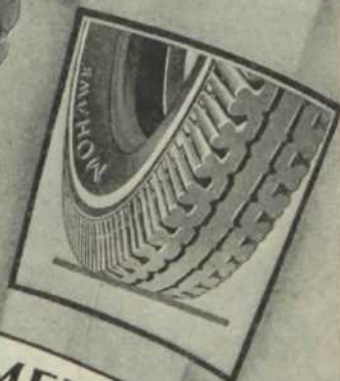
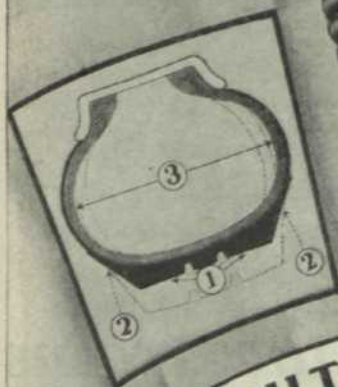
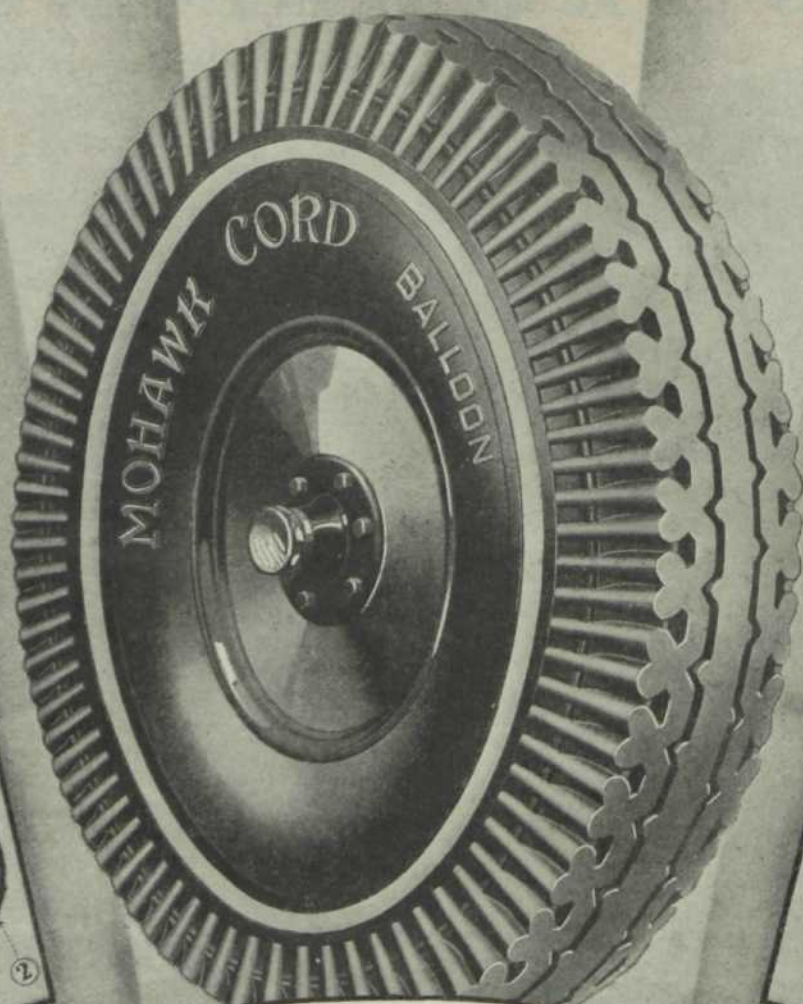
CONGRESSIONAL LIMITED
Washington and New York—4½ hours

THE RED ARROW
Detroit, Toledo, Cleveland and the East

CINCINNATI LIMITED
Cincinnati and New York—18 hours

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Carries more passengers, hauls more freight than any other railroad in America



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Vastly Improved Traction—Speed with Safety
Attention-Arresting New Beauty
Quicker Get-Away—Surer Stops

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THE MOHAWK RUBBER COMPANY, Akron, Ohio

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Note in the above diagram how the long, powerful supports (2) at the edges of the tread distribute the flexing up into the side-walls (3) eliminating possibility of ply and tread separation which have been so destructive of previous types of flat and semi-flat balloons.

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FOR SIXTEEN YEARS MAKERS OF FINE TIRES



I never saw such a finished and elegant exhibition of passing the buck. This bunch had the game down to a fine art

Efficiency on a Sidetrack

By ARTHUR H. CARHART

Cartoons by J. D. Irwin

THERE lurks in no dim corner of my soul a desire to smash the idols of Big Business. No fiery blood of a commercial iconoclast flows in my veins.

But the scales have fallen from my eyes. And in at least one field I know that there is not that precision of action, that definiteness of decision, that quick-clicking mechanism that I have always associated with our big corporations. And here is why.

Within the past year I helped organize a small industrial company and am now its secretary-treasurer. One of the needs of the plant was a railroad siding. So a site for the plant was bought on a secondary line of a railway. We will call it the B. U. & N. K. Railway Company, partly because that is not its name and partly because it seems a bit fitting as a combination of initials.

Before purchasing the property one of the local officials of the road was approached and asked whether or not his company would cooperate in the location of a siding to serve our plant. He was

cordial, assuring, confident that the railroad would be able to put in a siding that would meet our needs.

"It will take around three weeks after you ask for it before we have it finished," said this official. "Just let us know and we'll get it for you right away."

That was in May. We bought the land. The B. U. & N. K. was cognizant of the fact. But we were not ready to act. Financing had not been completed. It was completed in August.

On August 17, the president of our company and I went to the offices of the B. U. & N. K. Railway Company.

Best Service Promised

"**W**E want a sidetrack," we said. "Fine," said the B. U. & N. K. officials. "We'll get a man out there from the engineering department tomorrow and give you grades. Here is our contract. Of course we do not do anything until the user has put up the estimated amount of the cost of the improvement."

"How much do you want deposited?" we asked.

"Oh, we can't tell until we have made an estimate. That will be ready right after our engineers go over the project."

That was on a Wednesday. Thursday, eight days later, we went back to the offices of the B. U. & N. K.

"Where's that engineer that was to be out so we could show him where our siding is to be located?" we asked.

"Why, hasn't he been there?" was the surprised query.

"He has not," we replied. "And we've been out at the property looking for him every day since you said he would be out the next day."

The railway official turned to a telephone. He talked to the engineering department.

"Come, we'll go up and talk to the chief engineer," we were informed.

In the engineer's office there was more confab. There had not been a man available. They would send one out within the next two days.

We waited the two days and then some. Several days after the time limit on this promise ran out a young engineer

showed up and made an estimate on the cost of the siding. That estimate ran about 40 per cent or something over \$500 above what the officials of the company had told us it would be.

The day after getting the estimate we put up our check for the full amount. This was the first week in September.

"We're ready to grade," we told the officials. "Give us the elevations and we'll make the dirt fly. We don't want to get in your way when you start to lay track."

"We'll have those grades right away," was the promise.

They Came Out at Last

WE waited for grades. Finally, in a fit of abstraction, one of the engineering force did get out there and give us the grades. But not before we had had two teams on the ground for three days waiting for him to show up so we could move dirt.

Grades were set and within three days we had the grading done. We notified the railway.

"How long will it be now," we inquired anxiously. It was then the middle of September and we had hoped to be in operation by the middle of October. A month had already passed since we had informed the railroad officials that we were ready to put up our money and that we wanted action.

"Oh, this has not been approved yet," was the answer.

"Well, where does it have to go to be approved?"

"Up to the general manager of this division," was the reply. So we waited several days for it to muddle its way up to the G. M. Why in Sam Hill the division manager has to scrutinize such a detail as 300 feet of siding is beyond my ken. But he did. Nor was that all.

We came back to the offices of the B. U. & N. K. hopefully expecting that the G. M. had approved of the project. But the application and the data that the engineering department had worked out in spare moments had not found its way back to the office of the man with whom we had been doing business.

"We'll go up and see," said our friend—apparently the only one in the whole outfit that cared a hoot whether we ever got a siding. So we took an elevator to the floors above.

"Why, I've never seen this before," remarked the G. M. glancing over the papers that had gathered like Spanish moss around the first little application that we had made for the siding.

"It's about time you got the big surprise," we remarked with a little asperity. "That application has been in this office for six weeks, we've had our money up for nearly two weeks, we've had the grading done for over one week. It's

about time you learned that our little company is begging the big, benign railway to give us just one little siding—which we pay for and to which you retain title."

There was further exchange of observations. It had reached that stage. I had arrived at a place where I would have told the president of the B. U. & N. K. a few things about the way in which his organization moved if he had been available. Meanwhile there were carloads of materials to be used in building the plant speeding, by slow freight, to our city. That had been a request of the first man we had talked to in the B. U. & N. K. organization; that we route our construction materials over the B. U. & N. K. The reciprocal promise was that the siding would be done so these cars could be set out on our own siding (which we pay for and the railway owns), and thereby cut the delivery cost.

But the G. M. smilingly assured us that now that this had come to his attention things would move. They did—not.

Ten days passed. Bills of lading came in. Our cars filled with construction stuff were on the way. We frantically appealed to the B. U. & N. K.

"I wonder where that case is," said a friendly clerk. "I don't believe it has got back yet. Let me do some telephoning." Some five or six offices were called. None knew where it was. I suspected



We had two teams on the ground three days waiting for the engineer to show up to give us the grades

from what passed that they didn't care a rap.

"I guess you'll have to wait," said the clerk. "It isn't back from Chicago yet."

"Chicago?" we gasped. "Why in Tophet did it have to go to Chicago? Did they have to fingerprint it too?"

The clerk nodded.

"Say," we asked, seeking information, "how many offices does an application have to go through in Chicago?"

"Oh, probably 11 or 12," was the cheerful reply. "You see, they'll not let us pass on it here as final."

That was the history of several other calls at the offices of the B. U. & N. K. Here was their own engineering force, with capable men on the ground, men with years of engineering experience, of-

ficials who had been in railroading for half their life, and yet that mess of papers had to be shipped to Chicago for some swivel-chair fellow to give it a fishy stare and then turn thumbs down or thumbs up! What did he know about the conditions? Nothing. But he didn't want the district engineer to go over his head and approve anything without his having his say.

The papers got back from the Windy City. It was agreeable with the powers there that we should have our siding. And then there was more telephoning, more "conferences," and, I must admit, a bit more of asperity. The game was for the engineering department to pass it to the G. M.'s office, then back to the freight manager's office, then to the construction foreman, then to the division superintendent, then to the keeper of the storehouse, perhaps to the pensioner of wornout rails or some other office equally comical but equally obstructive to getting businesslike action on this job."

The Army Has a Rival

"HONEST," I confided to the official that seemed to be trying to help us. "I never saw such a finished and elegant exhibition of passing the buck. I thought the army had it to a fine point. But this bunch you work with has the game down to a fine art."

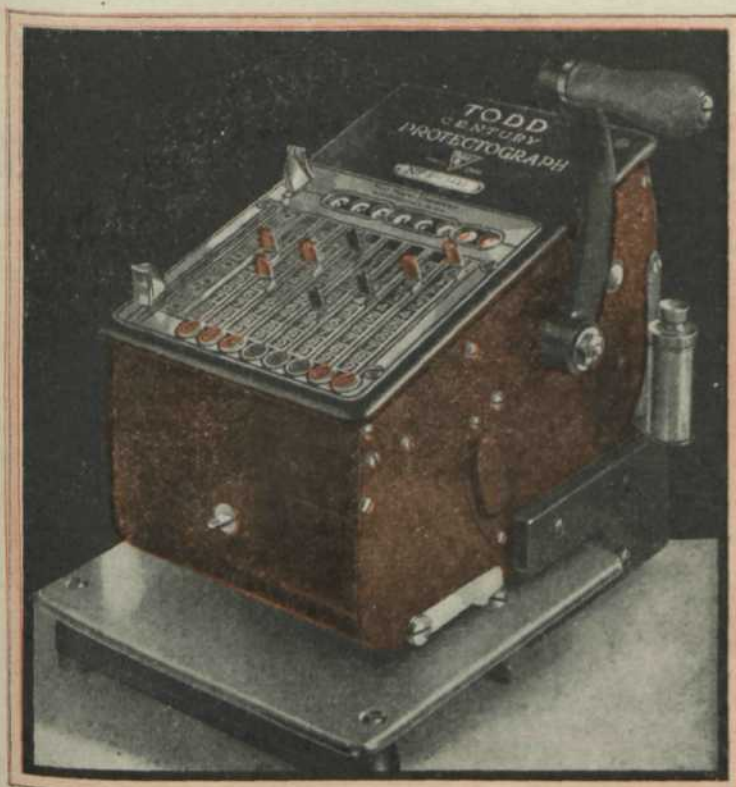
He smiled. It was not his worry. It was nobody's worry. Phut! Who cared about a dinky little siding of 300 feet. Anyway, when the "industry" as they called us, got too insistent it was always possible to dig into the files, dust off the application and send it on to some other office.

Cars of materials came. Demurrage piled up. There was no sidetrack. Materials were not yet on the ground. Our one real friend in the B. U. & N. K. office hustled around, Heaven knows how, and got permission to put the cars on the main line for a little while. With a great crew of men working like beavers we got the building steel unloaded. Other cars came. They should have been put on our own siding (that the railway owns). The cars had been shipped via the B. U. & N. K. at its request and with the assurance that the siding would be ready to take the cars. They also were unloaded from the main line. Still not a stick of timber or one rail on the ground for construction of the siding. The B. U. & N. K. still had our deposit, also. They were still passing the buck. From engineering to supplies, from section boss to boss carpenter. It was as happy as a Maypole dance—except for the "industry."

Three and one-half months to the day have passed since we went into the B. U. & N. K. office and said that we were ready to do business. The siding now is under construction. But during the time that elapsed in place of the three weeks originally allotted to getting in our siding facilities, a mighty, crashing realization has shattered a curious idea that I always held that big business organizations were always efficient!

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THE TODD COMPANY
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Read these endorsements of the new Century Protectograph

It is a pleasure to tell you that the new Century Protectograph which we have been using during the past year is absolutely satisfactory in every respect and is a great improvement over the machines we were using.—THE STANDARD ELECTRIC STOVE COMPANY, Toledo, Ohio.

One of the chief points we favor is the visibility of the work you are doing, which enables us to be more accurate, where in the old machines any interruption of the operator might cause errors. Thus far we find no points in this machine on which we would offer criticism.—THE INDIANAPOLIS BOARD OF TRADE, Indianapolis, Indiana.

We have used our Century Protectograph every day for the past year and have not spoiled a single check. Before this machine was purchased by us we had five or six different makes in as many years and none of them gave us the satisfaction that we are now obtaining.—ENGLISH WOOLEN MILLS, Milwaukee, Wisconsin.

In regard to the Century Protectograph in use now nearly a year, we are pleased to advise that it is giving good, dependable service in every way.—O. C. HANSEN MANUFACTURING COMPANY, Milwaukee, Wisconsin.



TODD SYSTEM OF CHECK PROTECTION

When writing to THE TODD COMPANY please mention *Nation's Business*



Why cling to old methods?

IN SOME sections of China, the water supply of a town is carried in wooden buckets on the shoulders of women—a method as old as the Chinese race. Good enough, perhaps, centuries ago, but today there are better methods, easier, more efficient, and more sanitary.

In some factories, buildings, stores, and other places of business and public gathering, they still polish or scrub floors by hand. FINNELL Electric polishing and scrubbing—tireless, noiseless, efficient, and economical—is as great an advance over such methods as the modern water system is over the bucket.

The money saved through its use is reason enough for adopting the FINNELL System. But it yields extra dividends in sanitary, healthful surroundings and employee efficiency. It eliminates a possible cause of accident—dirty, slippery floors. Have a FINNELL Engineer make a survey, advise you which FINNELL you need, and what it can do.

Write for descriptive folder—stating whether for business or home use—to FINNELL SYSTEM, Inc., 404 East Street, Elkhart, Indiana, or 130 Sparks St., Ottawa, Ont., Canada. Consult telephone book for local offices.

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8 sizes—
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We Can't Set One Price for All

(Continued from page 44)

consumer. In their case we would properly measure the distribution they perform with the entire yardstick, and we would find that they have assumed all the cost factors of the functions of both the wholesaler and the retailer.

In the case of a chain-store system, buying as a wholesaler and selling as a retailer, we must measure the distribution with the last two feet of the yardstick, and we find that none of the cost factors has been eliminated by combining certain distributive functions under one management. It may be that some of those costs have been lessened or shifted, as good management may always lessen costs, but none has disappeared. Cash-and-carry stores may save the consumer the cost of credit and delivery; but you must remember that the consumer performs these services. Hence, to represent the distribution of stores of this kind, we should bracket all but the last two cost factors on the yardstick, and move the consumer over on the stick nearer to the manufacturer.

In all distribution, we have to reckon with two basic elements of accumulative costs which are frequently overlooked, and never considered when goods are priced on a quantity basis.

The first is the physical movement of the commodity from point to point. Every facility and every individual who helps in this movement contributes something to the service and must be paid.

The second element is the time consumed in the movement of the commodity from the point of origin to the place of consumption. If the interest on the money represented by the product were the only factor of cost in distribution we still should recognize that there is a constant accumulation of interest. If the commodity comes to rest in a warehouse there is an accumulating cost of rent, interest on investment, insurance, taxes, depreciation, obsolescence, pay-roll and other plainly observable cost factors.

The Price of Ignoring Costs

UNDER the pressure of competition and the blind desire for volume, these elements of movement and time are too frequently ignored in determining the price at which the product should be sold. But the fact that they are overlooked does not in any way modify their effect on actual cost. The business concern that disregards these elements and their results will knowingly or unknowingly pay the costs out of earnings or from capital. The cost factors of distribution are just as certain as the costs of manufacture, and they create the same disastrous havoc when they are ignored by a manufacturer in pricing his commodity.

It is a common practice of manufacturers to predicate their selling costs on certain estimated volumes of production,

and this policy is only as sound as the estimate. But in many instances, along comes the "mass buyer" who assures a manufacturer that he has a large order to place that will be "just so much velvet."

Of course, a special price that shows an inadequate gross margin is demanded, on the argument that the order is large enough to reduce the production cost of the manufacturer's entire volume, and eventually show an indirect profit on the transaction.

This argument is plausible, but the fallacy is that the price does not cover services and attendant costs which must be compensated for from profits obtained from the balance of sales volume. Every sale which does not pay its proportionate part of the total cost requires a deduction from profits already received or anticipated.

Every service has a cost which cannot be cancelled by ignoring the service.

One Manufacturer's Plight

IN accepting orders of this sort manufacturers violate the principle of functional pricing and loss is inevitable.

Here is a typical experience of a manufacturer. About five years ago he accepted a large order from a mass buyer in the expectation that the saving on added production would offset the special discount necessary to get the business. As soon as his goods were put on sale by the distributor, other mass buyers began to purchase them on the same fallacious basis, and now the manufacturer finds that he is selling approximately 50 per cent of his entire volume to mass distributors.

Five years ago this manufacturer was selling all of his volume at a satisfactory profit to independent wholesale distributors. Now he finds that the volume going through the wholesale channel is rapidly shrinking, due to lost wholesale accounts.

On the balance of his volume, sold to mass distributors, his profit is negligible and is continually being burdened by the expense of increased service necessary to hold the business.

This manufacturer made the mistake of allowing the merchandising of his product to get beyond his control. In meeting the competition of the mass buyers, the independent wholesalers could not distribute the product in an orderly and profitable manner, so they naturally suppressed its sale as far as possible, or discontinued it entirely.

If we had the complete record of this experience, it would be possible to measure every loss factor by means of our yardstick and show the manufacturer just how and why the unprofitable changes in his business took place. At first, the mass buyers, to get the quantity price down to bed-rock, assumed the functions of



Our O.K.

We cordially invite anyone interested in the manufacture or sale of fractional horsepower motor appliances in the industrial, commercial or household fields, to inspect personally our factory and facilities.

Your O.K.



Her O.K.

What does our own "O.K." on a Domestic Electric motor mean? Correct electrical and mechanical design, of course . . . and high grade materials, conscientious workmanship, careful inspection at every step of manufacture.

But these things alone do not necessarily insure perfect performance on the part of an appliance motor; nor would they entitle Domestic to its position of leadership in the fractional horsepower motor industry.

Before a special motor can be finally approved in the Domestic factories, a thorough analysis must be

made of the appliance itself . . . the production and marketing problems of its builder, the actual conditions under which it must operate. Our engineers must be satisfied that in both design and construction it is the most efficient motor that can be produced for the particular purpose it is to serve.

Only where actual production is preceded by this sort of investigation, and where negotiations are carried out on a basis of mutual understanding, can those two most important "O.K.'s" be insured . . . that of the appliance manufacturer and of the final user.

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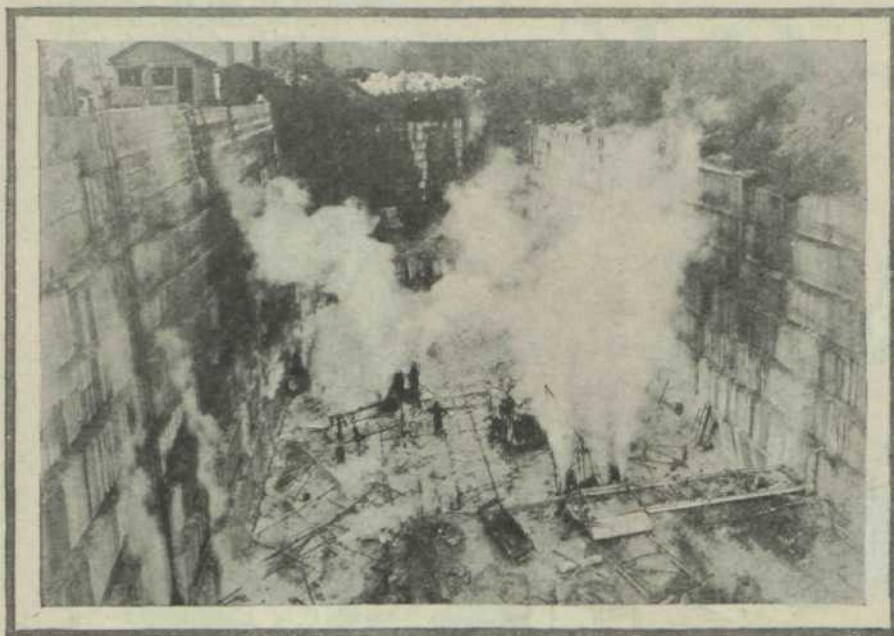
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wholesaling and retailing with all of their cost factors.

Then, when other mass buyers began to compete in selling price on the product, they naturally sought a means of obtaining still lower quantity prices by demanding that the manufacturer absorb certain cost factors of distribution in the name of service. This means, as measured by the yardstick, that the mass buyers insisted that the manufacturing part of the cost of service be 14 or 15 inches, rather than 12 on the yardstick.

This manufacturer found that goods sold on a quantity price basis to a mass distributor almost invariably come into competition with the same goods sold at regular prices. That halted the movement of the merchandise passing through the hands of independent wholesalers and retailers, who found it impossible to meet the competition at a profit. This manufacturer learned by bitter experience that anything that slows down the movement of goods through one channel adds a burden of cost that must be paid by some one, for the time element is an appreciable expense in all distribution.

Take the experience of a manufacturing concern which turns out a line of products that is widely advertised and almost universally used.

An official of the company found that the selling expense of his company had increased from about five per cent to nearly 15 per cent within ten years.

He attributed the cause to the demoralized state of general distribution; but he did not have to look beyond his own selling policy for the cause of most of the increase.

Ten years ago this company was distributing its products entirely through wholesalers. It began to advertise its goods to speed up distribution for the wholesaler, and from time to time the advertising appropriation was increased. In about three years it was found that sales were not increasing at a rate justified by the amount of the advertising, and ways of rapidly increasing volume were considered.

It was found that there was a large number of retail dealers in the country who were capable of buying the products in larger quantities than could many small wholesalers. Therefore, since the quantity justified the practice, sales were made to the large retailers at wholesale price, and this branch of the business grew so rapidly that it soon required a special corps of salesmen.

Selling Wholesale to Users

THIS produced volume and the company went a step further and began to sell large users who had been customers of the retailers. It was soon found that many of these users—large hotels, institutions and other organizations—could buy in wholesale quantities. Therefore, the company quoted them the wholesale price and shipped them direct. Soon it was necessary to increase the sales force to take care of this consumer business, and because larger volume seemed to be

necessary the tendency has been to reduce the size of the order necessary to obtain the wholesale price.

If we apply the yardstick to this experience we find that when the functions of the wholesaler and retailer were taken over by the manufacturer, he failed to consider the cost factors of both functions. It is significant, therefore, that the company estimates that its selling cost has trebled, for it is really selling its goods three times. But the increase mentioned covers only selling cost. I am sure that if the records of this concern were analyzed according to the yardstick of the three distributive functions, with their detailed cost factors, they would show that the distribution costs of the company have increased in even larger proportion. In reality, the cost factors of the wholesale and retail functions have been, largely if not entirely, shifted to the manufacturer.

The Changing Price Scale

I HAVE gone a long way from my original problem of the four orders that came to the same manufacturer. If we look at it again we find that the sales manager's trouble is that the price to the wholesaler is his base; that the price to the retailer should be increased by the amount of the cost of the distributive services of wholesaling; that the price to the mail-order house should be dependent on whether it performs any or all of the wholesaling functions.

If the mail-order house performs the same function as the wholesaler, the price should be the same as to the wholesaler, and if it operates merely as a retailer the price should be increased to the extent that the manufacturer absorbs the cost factors of wholesaling.

It seems to me then that the consumer should be charged a price that will include the total cost of the wholesale and retail functions, although in selling to the consumer in competition with the distributor the manufacturer adopts a policy that endangers his relations with his distributors.

I recognize that the quantity element is too important in many lines to be overlooked. There is such a wide variation in the cost of quantities of commodities made according to specifications that the selling price may well be governed to some extent by the size of the order. In other lines we have the style element, and in the case of all specially ordered production the quantity rightfully has an influence on price.

At this point someone will say:

"You have begged the question. The assumption was that all four orders were on equal terms. And you go on to say, 'But they can't be equal, because in each case the manufacturer, in accepting the four orders, must take over some of the distributive cost factors involved.'"

Let me then state my point even more simply. Let us say that four trucks drive up to the manufacturer's warehouse, and that the four drivers present orders for 10,000 units each and are prepared to

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During this Period Thew sales have increased 231%—evidence that these new types of equipment have been enthusiastically received by a progressive industry.

To invest in a power shovel or crane, without investigating the latest Thew Lorain machines, is to run the risk of purchasing equipment that is already behind the times.

THE THEW SHOVEL COMPANY
Lorain, Ohio
Builders of Power Shovels and Cranes
for 33 Years.

THEW

LORAIN 55-60-75

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pay cash for the quantities purchased. In this case, the manufacturer would actually perform no part of the distributive functions beyond his shipping room. The sale of all four orders would be on exactly the same direct cost basis to the manufacturer. Then the question is: Should the sales manager sell all four orders at the same price?

And the answer is no, decidedly NO!

Our merchandising experience since the war proves conclusively that a manufacturer of branded goods, which are sold regularly through the usual channel, cannot establish a permanent success by pricing his goods on a quantity basis. Today, as never before, a manufacturer's permanent profits and success depend on his ability to merchandise his goods—to distribute them in an orderly and profitable manner.

Making Profits Continuous

PPRICE is a factor of merchandising, and in this case the sales manager could properly assume that one or more of the buyers is employed by a retailer or a large consumer, and that if the orders are sold at the same price there will be a conflict in the competition on the goods that will create a merchandising loss for the manufacturer.

Remember that this sales manager does not make money for his company by selling individual orders at prices governed by quantity.

He is employed to see that the company's profits are assured and continuous, and there is no doubt that assured and continuous profits can result only when the manufacturer's volume flows uninterruptedly through its channel of distribution.

If our sales manager knows his business he will refuse to sell all of the four buyers until or unless he is able to determine the functions of distribution they perform, for the success of his company depends, not on the mere profit on four orders at the wholesale or a concession price, but on what happens to the goods after they leave the manufacturer's warehouse. Then, after he determines the necessary facts, our sales manager will price each of the four orders according to the distributive functions performed by the purchasers.

The Only Way Out of the Fog

PRICING involves a selection of customers according to functions performed by them. The quantity discount or the special price on a quantity order, should reflect only its actual saving to the seller at the point in the distributive movement occupied by the goods at the time the proposition is made.

The only economic method of pricing is according to the cost factors of the distributive functions performed. Manufacturers must learn that their success depends on a scientific method of pricing that will reasonably assure the orderly distribution of their merchandise. There is no other way out of the fog that now envelops our entire distributive system.

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HIDE-AND-SEEK is a great game for the kindergarten. But not for your office.

When you want information these busy days, you can't afford to have records buried in the dim caverns provided by an out-of-date filing system.

Modern organizations cannot tolerate the files of our fathers. Now records must be an open book to all, not tied to the memory of a single clerk—but foolproof, arranged to prevent misfiling—and fast as the pace of the modern mind.

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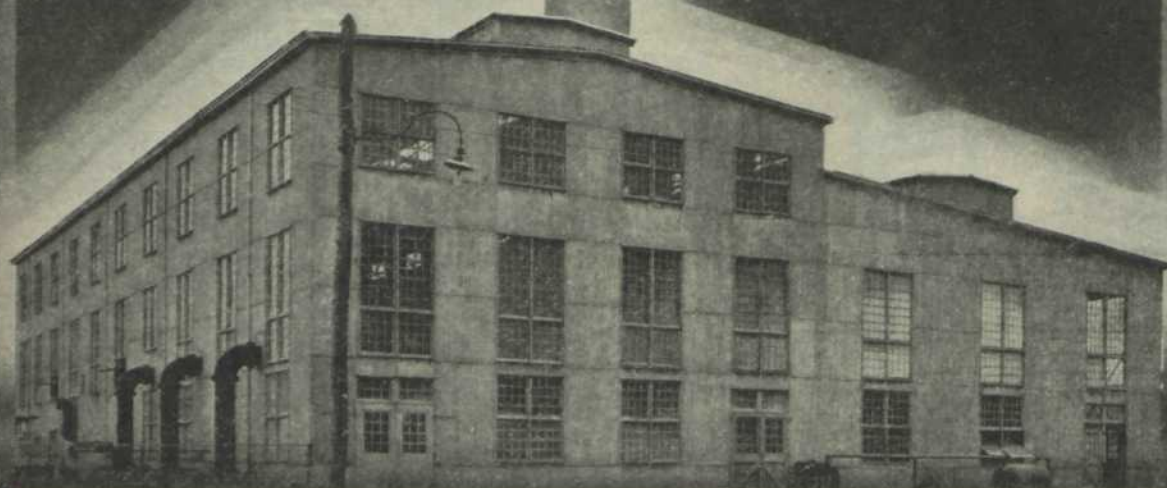


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FREE SPACE



YOU'VE probably, at some time, bought a piece of equipment or machinery, charged it off at the regular rate of depreciation and then found that it was running and serving you for years after it was completely written off. All the extra service you get from it is "free time."

Well...there are buildings, too, that work out that way. Buildings that you can put up, charge off comfortably in 10 years and find them just as good at the end of that period, serving you well, and with no depreciation to be paid on them. *That's "free space."*

What kind of buildings will do that?

Naturally they must be moderate in first cost, or you cannot charge off a sufficiently large percentage each year to write the building off quickly. *You can get this moderate first cost by putting up buildings of light steel framework, covered with roofs and side-walls of corrugated metal. BUT—*

On the other hand, the ideal building must require no maintenance costs, no painting,

no repairs...for large maintenance expenses would eat too much into the amounts you could set aside for depreciation. *You can avoid maintenance cost on buildings like this by covering them with roofs and sidewalls of Robertson Protected Metal...for RPM requires no maintenance of any kind.*

The building above is covered with RPM.

By using RPM, you can erect buildings that will give you years of "free space"...buildings that will be low in first cost, that will have little or no maintenance or expense costs afterwards; buildings that you can take down, move, re-erect, if conditions change.

Contrast that with the old-time buildings which take 50 years to write off...and which may get unsuitable long before you can possibly write them off.

Let us tell you how this material can be of service in your buildings. Send us your blueprints, and tell us your situation. It will cost you nothing for our suggestions.

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ROBERTSON



Shall We Legislate Our Profits?

By W. A. VINCENT

President, Western Lithograph & Office Supply Co.



TO begin with, permit me to say that I have had 30 years' experience in association activities, as a representative of my own business, and that I am not an advocate of price-fixing, as generally understood. I do, however, thoroughly believe that prices fix themselves and should have some protection. Further, I am not an advocate of paternalism that will guarantee anybody anything.

My whole thought is that the present competitive condition in the commercial world should be changed so that everyone will be given a chance to work out his own salvation in his own industry without the interference of ignorance and malice.

At first thought, one would say that this is exactly the condition under which we are working. I believe, however, that an analysis will show differently.

What is the producer and the distributor in the commercial world entitled to? Should the results of his investment and enterprise be a matter of chance, subject to all the dangers of unfair practices? Is not profit the lifeblood of industry? Can any commercial enterprise live without it? Should it be safeguarded in any way, or do we have the right system today, when profits are exposed to the jackals in industry?

Can the selling price of any article be fair unless it returns the seller a profit, provided that price is based on an economical cost? And what is an economical cost? Is it not sound to assume that an economical cost is one based on the average cost in any industry?

What Is the Producer's Due?

FINALLY, if a producer sells an article at a price based on an economical cost, is he not entitled to the assurance of a profit? In other words, a member of an industry, whose costs are as low as the average, must be operating in an efficient and economical way in every department. Then, isn't he entitled to a stabilized market so the sales that he makes under these conditions will surely return him a profit?

It would seem that here is material to warrant the commercial world's assembling in convention representatives from every industry to answer these questions.

In a personal interview with the Secretary of Commerce some year and a half ago on this subject of a stabilized

IS THE MAN who sells without a profit such a menace to his industry and, through his industry, to society, that the Government should regulate his business? Here is an argument in favor of such regulation. You may agree or disagree. Anyway it will make you think

fair selling price the discussion was opened with this remark:

"Mr. Hoover, we would not be here bothering you with the problems of our industry if we did not know that they were common to all industries, notwithstanding the fact that ours is the third largest in the country."

I think that we will all agree that the matter of a stabilized fair selling price is a common problem. The question is how to focus the thinking of the commercial world on the real "nigger in the woodpile."

From my experience in discussing this subject, I am sure that there is going to be a cry of radicalism, but history has shown that what often has been considered radicalism at the time eventually was proven to be fundamentally sound. M. C. Ripley, of the General Electric Company, in an article in a current magazine says, "There is a radicalism that means real progress. Don't be afraid of advanced thinking." So let us analyze the real condition.

It would seem that the whole fabric of our present civilization is dependent on our commercial prosperity. When business is not in a prosperous condition, the reaction is unemployment, which means shortage of purchasing

power. The circle of an undesirable condition is ever widened; and it does not take long for its influence to be felt in the moral and physical sides of our civilization. Thus a healthy condition in our commercial life is most important and is worthy of our best thought and earnest consideration.

It is a fact, whether we recognize it or not, that when an individual or group of individuals engages in any commercial enterprise that individual or group assumes responsibilities, and is, together with all others in that industry, responsible to society for the prosperity of our commercial civilization. Further, it would be natural for the units of any industry to assume the attitude that only when the industry is in a prosperous condition have they a chance to be successful.

But, in these days, I doubt if very much thought is given to the industry as a whole. Rather, it is devoted largely to the selfish interests of the individual units, which are bending every effort to make a profit for themselves regardless of how the industry as a whole may be affected. The popular weapon in use seems to be a most dangerous one, namely, the sword of a cheap price.

This is, indeed, a two-edged sword that cuts both the individual who uses it and the industry to which that individual belongs. A few ordinary examples of everyday practices may be mentioned here. Any business man can recall scores of others.

There Are Thefts and Thefts

JUST yesterday in our local paper appeared a half-column article on the trial and sentence of a man who had stolen a cow. For this terrible crime, the man received a sentence of seven years in the penitentiary.

On the same day, I learned of a transaction in the milling industry involving a sale of 5,000 barrels of flour at a price less than the cost of the raw material plus that of manufacture. In other words, the flour was sold without a profit. I found that on a sale of this volume a reasonable profit should be about \$1,000 or \$1,200. Here's a case where the seller absolutely stole the profit from the industry, and is it not a fact that this profit was just as essential to the industry as the cow was to its owner?

Even though the crime in dollars and cents was probably 20 times the value of

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EUROPE
and back**



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the cow, yet there was nothing unusual about it, and no news item appeared relative to it. This illustration is a fair example of the inconsistency of our thinking as regards conditions in our commercial world.

In our own business we are selling scratch pads in our retail store, made up from scraps of paper of practically no potential value, at a higher price per pound than we are charging for taking full sheets of the same paper, lithographing engravings on them and making them into bank counter checks.

Checking the Volume Chaser

THE reason is not because members of the industry are a set of boobs and do not know their costs; it is because a few members of the industry feel that with a low price they can obtain a volume sufficient to make a profit even at cut prices.

The net result is that those who do know their costs are bound to meet that price competition. If they do not, then the volume chaser will get a volume and make his profit at his price, and the rest can fold up their tents and get out of business.

The local paper I mentioned on the same day carried a display advertisement for a retail clothing merchant announcing that he would make his usual end-of-the-season reduction on spring suits and top coats, which would be a great benefit to his many customers and so on.

I know this merchant to be an estimable gentleman, but he is not in a financial condition to be a philanthropist. His action was prompted by some other motive than the one he gave, but the damaging effect on the industry in this particular city is the same whatever the motive.

The other stores are forced to meet his cut prices, and all stand a chance of going through the season without a profit. Had they not met his cut in price, this merchant's sales would have reached such a volume that he could have sold even at a lower price and made money.

Some would say without thinking that the public gets the benefit, and is not that a good thing? Well, is it? How about the other clothing stores forced to go out of business? How about the vacant store rooms and clerks thrown out of employment, just because of unrestrained human selfishness as exemplified in the use of the two-edged sword of a cut price by this merchant?

Our Stone Age Price System

THE competitive price system today in our commercial world is not new. It was inaugurated in the beginning of human existence, when each man looked out for himself, regardless of how his actions might injure another.

In other words, we are still doing business on the Stone Age plan of the survival of the fittest.

Any reform in the business world must be handled in the same way as a reform in any other field, namely, by taking

the conditions as they are and working out the solution of the problem with the least disturbance. There are three factors to be considered—the public, the industry, and the individual units of the industry.

In my judgment, Abram Myers, former chairman of the Federal Trade Commission, has given us a constructive principle to begin with. In a speech before the Cottonseed Crushers Association in New Orleans he said many good things, but concluded with this remark, "There is a fundamental principle that one may not use his property so as to inflict unnecessary injury upon others."

Trade associations are the natural outgrowth of a condition that requires some united effort to solve the problems in the various industries. These organizations have aided materially in working out plans and methods of operating industry, maintaining research departments, exchanging methods and ideas. As a result of these activities industry today is in better shape to meet opposition than it has ever been before.

But, notwithstanding all these efforts, no industry is without the extreme hazards that in many cases annihilate profit. In fact, after 30 years of association efforts in our industry, we find it more difficult to keep a healthy financial condition than ever before.

In my judgment, this condition is caused by the fact that our profits are absolutely unprotected.

Owing to existing laws, trade associations have been limited in their activities as far as price maintenance is concerned to a program of education alone. Millions of dollars have been spent in an educational way—teaching and preaching business ethics and cost accounting—and this movement has reached a large percentage of our business world.

Yet it is the minority members, who have not been reached by the movement or who refuse to accept the principles taught, who dominate the markets in nearly all industries.

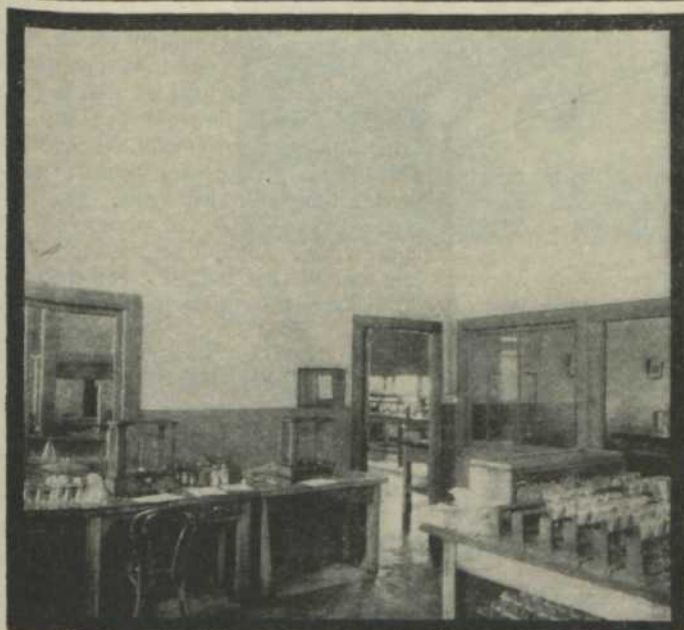
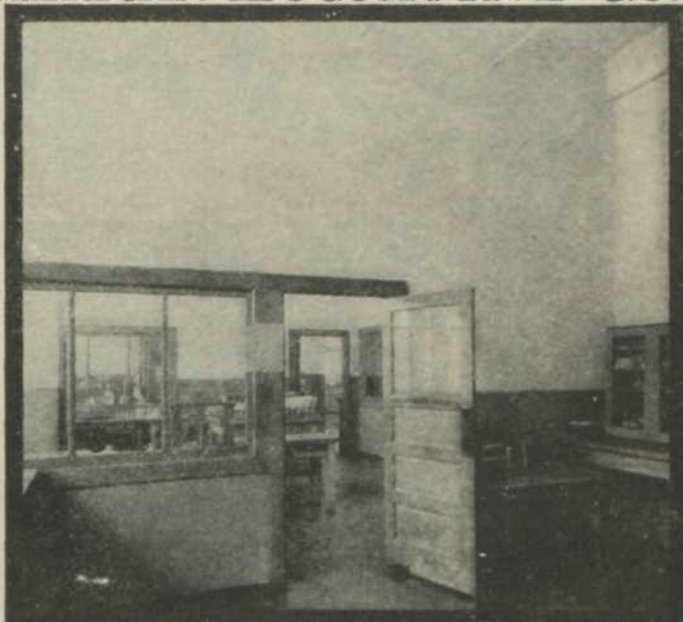
The Triangle of Civilization

THE average business man is so engrossed in his own affairs that he refuses to think beyond the confines of his own desk or he would observe that this educational program is not sufficient, as it never has been sufficient in any other phase of our civilization.

Civilization may be likened to an eternal triangle. One-third of the triangle can be called the moral side, another third the physical, and the base the business or commercial. These three phases are so closely related to each other that they cannot be separated. No matter how moral a man may be or how perfect physically, if he doesn't have the price of a meal at hand he is assuredly defeated.

On the other hand, he may be nearly perfect morally and well off commercially, but if he is physically diseased and cannot digest his beefsteak, he is again defeated. The result inevitably must be the same if

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"White Paint"

declares B. T. Perry, Director of Chemical Research of The American Locomotive Co.

"or a very light tint is used in painting our laboratory interiors. The exactitude of laboratory work requires a well-lighted and cheerful interior. White or light tinted paints help artificial or natural illumination to expend itself to the best advantage. We use a lithopone base paint because of its whiteness and strength, because it will not darken, and because it is easy to wash clean." **C** The New Jersey Zinc Company manufactures Albalith, the super-lithopone, and other high-grade zinc pigments. *Substantial proportions of these zinc pigments (zinc oxide and lithopone) mixed with the proper oils and driers, form quality paints, made by all reliable paint manufacturers.* **C** Information on these pigments and paints is of value to you. Write to us to-day.

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any other combination of the triangle is considered.

Analysis will show that the moral and physical sides of our civilization have made wonderful advancement since the beginning of our organized life. It is interesting to inquire into the reason. On both the moral and physical side, we have spent billions of dollars and have employed the best educated brains in the world to lead us.

This is not peculiar to the moral and physical phases however, for in the commercial world the same treatment has been applied. Few in the commercial world will admit that members of the professions in the moral side, such as the ministers and teachers, or on the physical side, such as the physicians and surgeons, are more capable or better equipped mentally for progress than are the men in the commercial world.

No Lack of Money or Brains

THE facts are that we demand and have men in the commercial world just as intelligent as we have in the professions, and we have spent and are spending billions of dollars to maintain this condition. Thus it logically follows that it is not a lack of money or brains that has prevented us from making progress in the commercial world similar to that made in the moral and physical.

It must be, then, that the moral and physical worlds are possessed of some advantages that the commercial world does not enjoy.

It may be argued by people who do not think deeply on the problem that we have made wonderful advancement in the commercial world in the past 50 years along the line of business ethics. This is true so far as recognition of the fundamental principle that business ethics are necessary for healthy business conditions is concerned. But the results in profits on account of applied ethics are negligible thus far, because of conditions already mentioned.

The Rotary Club has sensed the need of something along this line and is promoting a business code of ethics. This, in my judgment, is tangible evidence of the need of a change from our old system of the survival of the fittest. The Club's code of ethics embodies about all the principles that are necessary to bring about a condition that would cure many of today's business evils.

Two Methods of Promotion

HISTORY, however, records another code of ethics, first given to the world by a man named Moses. It has become the foundation of our moral and civil code, and our civilization could not exist were it not for the adoption of this code into our everyday life. It is worth while to compare the methods used in promoting the two codes.

The Rotary Club, owing to existing laws, is using the only means possible to put over its doctrine of business ethics — education. Rotarians, however, do not seem to realize that this will only get

them part way, and that no goal can ever be reached by this method alone.

It will stimulate a few who are willing to play the commercial game fairly, but their efforts will be nullified by the unfair practices of those not reached by the educational program and by those who for selfish reasons will not play the game fairly.

Rounding Out the Program

THE Moses code of ethics, on the other hand, has been handled far differently by its promoters, and the Rotary Club would be wise to study their methods. These promoters have not in any sense depreciated the value of education; in fact, they have spent billions of dollars and have employed the best brains in the world to lead them in their educational program and are still doing so.

But experience has shown them that this is not sufficient. They have added to their educational program legislative enactment, and these together have given us a condition in the moral and physical sides of our civilization which makes unfair practices the exception and not the rule.

The entire situation upon which I have been commenting seems to revolve around the Sherman Antitrust Law and the Clayton Acts, which now prevent any constructive action to remedy the condition. I would add to our educational program for business ethics legislation that would make it possible for fair practices to become a law in any industry when 80 or 90 per cent of that industry, together with governmental supervision, agree on a policy.

A Simple Plan to Handle

THE thought naturally arises that such a plan would involve much governmental organization and cost vast sums to handle. On the other hand, the plan would be simple, for one fundamental reason — selfishness. For example, the average man daily sees some law violated, but unless the violation disturbs him mentally, physically, or financially, he pays little attention and, like Cain, inquires, "Am I my brother's keeper?"

But if fair business practices were part of our legal code, the violator would in every instance step upon a vital part of our anatomy (our pocketbook), and the reaction would be such that it would be our great pleasure to be our brother's keeper. There would be no difficulty in finding a prosecutor.

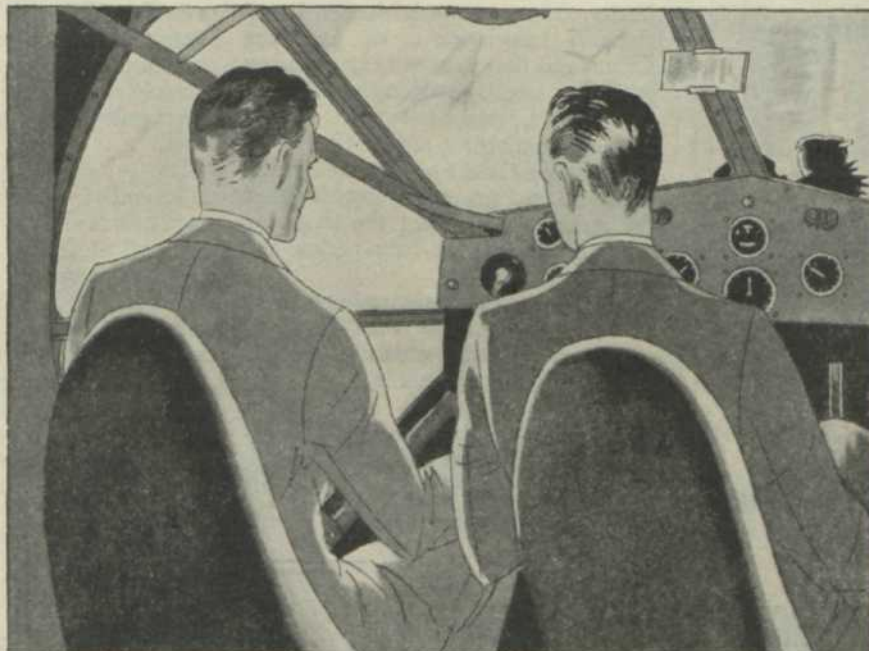
I am sure that the industries themselves would be willing to bear the burden of the expense necessary to put the plan in operation.

The whole matter may be summed up in a few words:

Let us rebuild our commercial fabric on a legalized fair selling price on all commodities, basing such price on an economical cost with a fair profit added. If it is fair it is like the truth, it cannot be more fair. Then why not stabilize it and protect it, for only through a fair price can the profits of industry be conserved.



The inherent stability of the Ryan is like the "come-back" of the boxing dummy



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TAKE the stick and convince yourself regarding the new Ryan Brougham for Six. You will agree that its ease of handling, stability and sureness of control widen the margin of superiority which the world concedes to Ryan.

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To meet the new Ryan production schedule, now in full swing at the St. Louis plant, contract has been let for more than a million and a quarter dollars' worth of the new Wright Whirlwind 300 horsepower J-6 engines.

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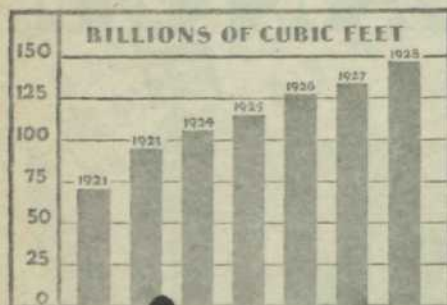


P. DeC. Ball, President and Chairman of Ryan Board, Col. Charles A. Lindbergh and J. J. "Red" Harrigan, photographed after Col. Lindbergh's recent test flight in the new Ryan

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Free Car Rides Aid Sales

By RAY PEEBLES

A FREE car ride to the business district was a novel attraction offered by the retail merchants of Erie, Pa., recently to give additional impetus to a Dollar Day sale they were holding.

Under arrangements with the Retail Merchants Association of the Chamber of Commerce, the street railway company collected no fares from persons riding to the downtown section between 9 and 11 o'clock on the morning of the sale.

The plan was heavily advertised in the newspapers and proved so popular that every street car entering the shopping district during the two-hour period was crowded to the doors.

The street car company made no effort to discriminate between *bona fide* shoppers and persons who were merely taking advantage of the opportunity to enjoy a free ride.

A report on the exact number of passengers carried by the street cars during the two-hour period is not available but car operators reported that the traffic

during the interval was the heaviest they had ever experienced at that time of day.

The merchants paid the street car company an amount previously agreed upon to cover the losses incurred in giving away car rides. This sum proved an excellent investment, however, because of the increased number of persons who attended the sale. The stores were crowded from the opening hour until late in the afternoon.

The car company, of course, realized on its end of the bargain when the homeward trek of shoppers began. Cars usually taken off the lines during the early hours of the afternoon were forced to continue their runs late into the day because of the unusual number of persons demanding transportation.

The plan had been under consideration in Erie for some time prior to its adoption. Its success has prompted the retail merchants to consider it as a permanent feature in connection with their future special events.

Why Should Anyone Hunt a Job?

(Continued from page 64)

all and often suffer more than the wage-earner.

This thing is coming.

"I agree with you," said a market expert, "but don't say so—I'm regarded as a visionary now when I talk markets, and this would be considered plumb crazy."

It will be done—but who will do it?

That seems to lie between Government and Business—Government with a glorified employment office, and a statistical goose step from one job to another, with every sort of delay; or Business, organized to transfer its own workers from one department to another in the single organization, or transfer them from one concern to another in a given industry, or from any establishment in a community to any other establishment.

Here is where the measuring comes in—to find out what all these different establishments have in the way of work and need in the way of workers. That has never been done. The workers have been dropped into the street if there was no place to which they could be shifted in the same organization and have run around like drops of mercury, hunting new jobs, until as many as possible placed themselves. Only, some of the drops didn't run.

But Business itself has done a better job than that on occasion.

Some years ago, an inventor, Henry A. Wise Wood, perfected a machine called

the Autoplate for making newspaper stereotype plates mechanically. It would make them faster than hand stereotyping, increase the time for last-minute news, and do away with one of the hardest, hottest jobs on a newspaper. But there were hundreds of hand stereotypers to be displaced and they had a strong union. This was the principal difficulty encountered in the inventor's introduction of his machine.

It Helped the Workers

MR. Wood invited the officials of the stereotypers to inspect the machine, told them that it would displace men at first, but called their attention to the fact that all improved machinery ultimately creates more work and better, and reminded them of the trying character of stereotyping as then done. The union took the machine under its protection. As a result of this arrangement, the Autoplate quickly came into use on all American newspapers. Within five years after its introduction, the number of stereotypers had doubled and wages had risen. A measuring job!

As Business wakes up to the fact that the consumer and the producer are the same Jim and Jenny Jones, the consumer will be considered too valuable to be allowed to go to waste while he is hunting a place to produce.

Just watch the developments in this direction in the next five years!



TOUGH! The envelope in the picture, with a string tied round its "middle," and a dog hanging on the string, is an Improved Columbian Clasp. Its ability to withstand rough treatment assures you that it will carry your mailings safely.

FIBRES! Photomicrograph showing the finely-matted fibres which compose Improved Columbian Clasp stock. The microscope is only one of the many precise instruments whose scrutiny this stock must pass.



SEVEN REASONS WHY THE IMPROVED COLUMBIAN CLASP ENVELOPE IS THE STANDARD

1. Made from extremely tough, flexible stock.
2. "Scotch seams"—they never give.
3. Clasp of malleable metal that resists breaking.
4. Clasp anchored to envelope at all points through double thickness of paper.
5. Hole in flap patch-reinforced with fibre-ough patch. Lines up with clasp every time. Inspection at factory makes certain of this.
6. Identified by name "Improved Columbian Clasp," and size number printed on lower flap of each envelope.
7. Thirty-two stock sizes, to fit practically any job without making to order.

"DOGGONE GOOD"

a clasp envelope that protects its contents

STOP taking chances. Insure the safety of your mailings. Buy Improved Columbian Clasp Envelopes. The tough, flexible stock from which these envelopes are made must pass the rigid tests of a whole battery of scientific instruments in our laboratory before it even starts on the way to being a good clasp envelope. That is why its good quality never varies.

The paper stock must prove to these instruments that it is not only tough, but *flexible* as well, because a paper that is too tough may resist cutting, wear and tear, but will transmit too many shocks to the contents of the envelope.

Next time you have a mailing, let your stationer or printer supply Improved Columbian Clasp Envelopes to carry it. They come in 32 stock sizes to fill every need.

UNITED STATES ENVELOPE COMPANY

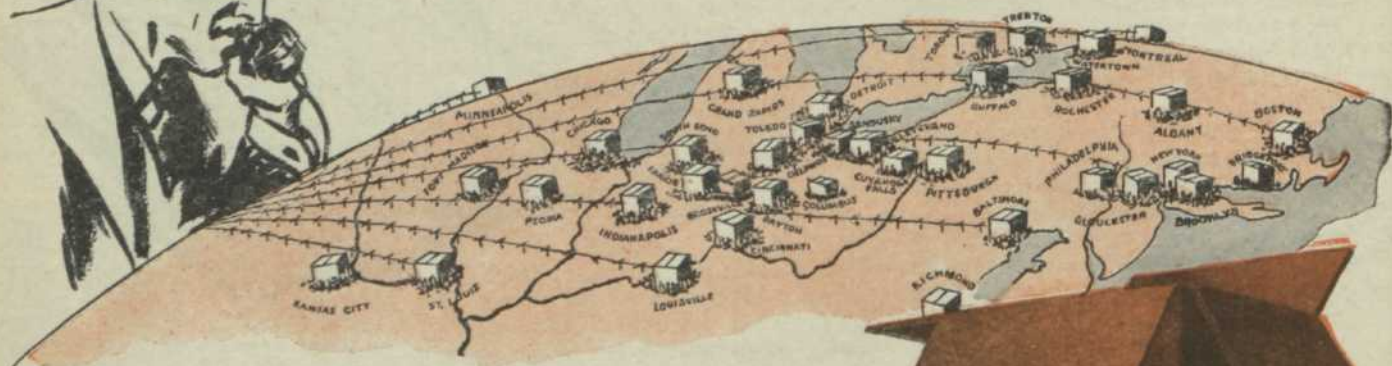
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Only 3 minutes away by telephone!



*Because there's an
H & D service unit
within easy reach of your plant*

GLANCE at the map pictured here and note the location of the twenty-one plants and thirty service stations and branch offices of the Hinde & Dauch organization. Then spot the location of your own plant and if you are in the industrial area of North America, you'll find an H & D unit—paper mill, box factory or branch office—as a near neighbor.

Hinde & Dauch growth has been definitely planned so as to bring H & D package engineering service as close to *your* business as possible.

An H & D Package Engineer can be reached from the telephone* on your desk. You can have him on the other end of the line in about three minutes. If he does not have the answer to your packaging problem already, he will cheerfully work it out for you—promptly and no obligation.



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Cleveland	Main 5732
Columbus	University 6319
Cuyahoga Falls	Cuyahoga 268M
Dayton	Main 223
Detroit	Glendale 4947
Grand Rapids	31439
Indianapolis	Riley 1188
Kansas City	Victor 55532
Louisville	City 644
Minneapolis	Atlantic 1833
Muncie	Main 2286
New York	Worth 1684
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We're no Longer Innocents Abroad

By ALBERT STEVENS CROCKETT

ONCE it was the Englishman who was hailed as the great globe-trotter. In Paris, in Naples, in Cairo, in Tokyo, or Timbuktu his impedimenta of boxes, bags, rugs and the inevitable tin bathtub, passed as the highest hall marks of Anglo-Saxon civilization.

Today the steamer trunk and the suitcase, or the newfangled ingenuities which have taken their place, are having their innings. For more than 20 years the world's greatest traveler has been the American, and each year sees him becoming so thoroughly entrenched behind the title that nobody can wrest it away from him—not while American business keeps on spreading over the earth and shopkeepers abroad continue to reckon as their real harvest time the season when the dollar of the Yankee tourist appears on their horizon.

That predilection of the Englishman for his tub, by the way, I long ago came to look upon as mere tradition. I grew to regard the tin contraption with which he impressed foreigners as a symbol, rather than the evidence of peculiar ablutionary virtue. For in the early days of the century, when the call of American travelers for rooms with baths set European hotelkeepers to scratching their heads and some to catering to the extraordinary demand, a famous London hotel was rebuilt with so many bathtubs that the supply for some years continued in excess of the demand, except during the seasons when American tourists visited the city.

Americans Must Have Luxuries

OF late, almost every European country has built new hotels or rebuilt its old ones in an effort to cater to the American traveler, but each year it seems harder and harder—at least in certain favored foreign cities—to provide American visitors with the comfort and luxury they consider essential.

Rooms with baths are still apt to be more appreciated by American travelers than by some Europeans, as I discovered in a continental city Summer before last. Quarters I had engaged there by telegraph, on my family's arrival, proved to be still occupied by a duchess who was making an automobile tour. I should mention that she was not English. When we finally got possession of our rooms three days' dust in the bathtub proclaimed to a horrified American woman that not only had the chambermaid been neglectful, but that Her Grace must have followed the quaint old custom of confining her ablutions to Saturday nights.

Every Spring the New York newspapers begin to teem with stories of the

great American rush to Europe. The theme furnishes good "copy" until mid-summer. Thereafter a feature of the daily news is the great American rush back home.

Every Autumn and Winter the charms of cruises to the Caribbean, to the Mediterranean and around the world are painted lavishly for us in words and pictures. So widely has the winter-cruising habit spread of late that no fewer than 58 voyages from New York to the West Indies alone were scheduled during the season just past. Some of the steamers were booked to capacity as early as mid-November.

Faster Facilities for Travel

NEW steamships, and bigger and faster, bring Cuba and our Florida and California resorts nearer the North and the East. For those who would better the speed of the newest and fastest trains, the airplane, linked with railroads or spanning the whole distance, is now a regularly established alternative. Our highways have been improved to such a point that one may travel in his own car to almost any resort in the South or Southwest in comfort and with speed, sure in the knowledge that at almost any stopping point a good hotel is to be found. Or, if he chooses, he may board a luxurious motor bus and journey in it all the way to Miami or to Los Angeles.

In brief, every facility for travel so far devised is at the disposal of the American who wishes to travel. Even the lighter-than-air ship has been proven practical, even if it may be several years before greater Graf Zeppelins and bigger passenger-carrying planes are in regular service between the United States and Europe.

And with the growth in travel facilities, Americans have become more and more travel-minded. The urge to go somewhere is strong and widespread. Few who feel it resist—if they have the means and can spare the time. And in no quarter is the lure of travel now more potent than among business and professional men.

Steamship travel eastward is heaviest during the late Spring and early Summer, partly because the heat and partly because the end of school terms make an exodus timely. But of late there has been considerable modification of the idea that Summer is the best time for a holiday. More and more business and professional men have proven to their own satisfaction that a winter respite from the cares of daily occupation is apt to prove of more benefit than a vacation in Summer. To a golfer—and most modern business and professional men seem to be within that category—a nearby country place, a good

country club, and week-ends and holidays offer enough change of atmosphere, exercise, and social contacts to keep himself fit. Once persuaded of a winter vacation's benefits, the modern business or professional man faces the approach of zero temperatures fortified by the knowledge that on a certain day, after 24 hours on a train, or two to three days on a steamer, he will find himself in Old Sol's perpetual kingdom, blue skies overhead, azure seas at his feet, palm trees for background, where almost every device to entertain and amuse may be found.

These business and professional men have adopted the two-vacations-a-year plan in increasing numbers, enjoying a trip to Europe in Spring or Summer and a sojourn in the South or a cruise to the Caribbean or the Mediterranean in Winter. Go through the rosters of hotel patrons and cottagers at Palm Beach or Miami and compare them with the May and June steamship passenger lists. Each year the similarity is more marked.

For many years I have been a traveler. In that time I have interviewed thousands of other travelers and I have speculated a good deal upon the origin of travel. Why do men leave home—for foreign parts? Others have answered the question variously. The simplest reason is, for a change.

The man whose profession or business keeps him steadily on the grind in time reaches a stage when not only rest, but relaxation and amusement are essential. The more complete the eclipse of his ordinary activities for a time, the more fit he will be for tackling new problems at the end of his vacation.

No Restraints Away From Home

WHEN first I began traveling abroad, my observations convinced me that many an American left home so that he might raise Hades and get away with it by being among foreigners. Nowadays, American men of affairs are usually saner and more circumspect in a foreign country. Then a trip abroad often provided an excuse for throwing overboard everything that smacked of dignity, religion or common sense.

One day, the twenty-sixth anniversary of which came last July, I was introduced at the Hotel Ritz, in Paris, to a dignified, elderly gentleman who was at the head of what was then one of the biggest manufacturing corporations in the United States. His observations were such as one might expect from a really big factor in our national life, and his opinions on business matters were considered well worth publication. That same night at the old Moulin Rouge, I came upon a red-faced



350,000 American Business Men

will read the 1929 Extra Edition of Nation's Business

THE pages of this issue of the magazine will contain a complete and authoritative report of the speeches, conferences, round table discussions and group meetings of the 17th Annual Meeting of the United States Chamber of Commerce, to be held in Washington from April 29 through May 3.

Reporting the greatest business meeting of the year, it becomes one of the most interesting and important business publications of the year. And as such, the 1929 Extra Edition will be read and re-read from cover to cover by the 350,000 business men who receive it.

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this is an excellent opportunity to reach such a group, in such a medium, at such a time. Publication date of the 1929 Extra Edition is May 25.

Closing date for advertising copy May 1.

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NATION'S BUSINESS

Washington, D. C.

old man with an opera hat tilted back on his head, who was fairly shrieking with glee under the attentions of the American adventuress who had him in tow. It was difficult to recognize in him the subject of my afternoon's interview.

Again, a year later, I dropped into the Jardin de Paris, of more or less happy memory, hoping that I might find therein some fellow-American I knew.

The intermission sign was on the stage. I looked for the crowd and found it congregated in the rear of the Garden, where I knew the quadrille was going on. Same old girls, same old stuff; another year's crop of American tourists. And then I saw, wedged in two-deep from me, the lines of a head and shoulders that sent my mind back to college days and recollections of a handsome youngster who was head of our Y. M. C. A. and one of our most ardent "sky-pilots," as we used to term the ultra-religious. I had not seen him in more than a dozen years. I pushed through the crowd and touched him on the shoulder. His start and his gasp of astonished embarrassment were delicious to one who had been a sinner even in the days when the other had walked among saints.

Now I do not argue that either of the men I came upon was necessarily doing anything wrong. In those days we were prudish folk, and many of us who liked a bit of deviltry now and then never felt safe about it unless we went to Europe.

But not today. Since the beginning of the century there has been an enormous increase in travel to Europe, as well as tremendous improvement in the ways and means of getting there.

The ships of which one had a choice 25 years ago were modest in size and accommodation compared with those of today.

Steamships Compete Strongly

THE German lines, which by August, 1914, had come to be among the largest in the passenger-carrying trade, have had to be recreated since the war. Now they are actually competitors with the rest. The French have built new, large and speedy ships. The Italians have entered the lists during the last few years with many fast and luxurious vessels. The Spanish are now making a bid for the European passenger trade with half a dozen modern craft. In fact, almost every line catering to European travel has either rebuilt its old ships or has built new ones. While the old American line, whose ships—the *Philadelphia*, *New York*, *St. Louis*, and *St. Paul*—were small but popular, has disappeared from the New York-Southampton service, there are other American lines that have taken its place. An American line is maintaining an excellent service to eastern South America. Coastwise services have been improved by the addition of bigger, finer and faster ships. Our Pacific services have grown.

One may travel *de luxe*, first class, second class or third, and find congenial folk. You pay your money, in the language of the old saw, and you take your choice.

To-day
even the edge
of the crowd
can hear —



*A few hundreds
heard Lincoln*



*Unlimited thousands
now hear presidents*

At present-day inaugurations of Presidents of the United States, everybody in the vast crowd assembled at Washington is able to hear every word of the ceremony. A Western Electric Public Address System, with its loud-speaking horns above the speaker's stand and at strategic points in the crowd, makes this possible.

This apparatus amplifies sound and distributes it to all parts of a city park or square or an indoor auditorium. In convention halls of hotels, it brings the speaker's voice loud and clear to people in the rear seats.

The Public Address System has a growing use in hotels, in amusement parks, in hospitals, where music or other entertainment can thereby be distributed from a single source to any number of places or rooms. The equipment is adapted to a wide range of

requirements... A product of the telephone art, the Public Address System is electrically and mechanically dependable. It is made by Western Electric and sold by Graybar Electric—two names that mean quality and service in things electrical.

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PUBLIC ADDRESS SYSTEMS

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Meyers-Whaley Co. of Knoxville, Tenn., have used Diamond Chain in their coal mining shovels and loaders for 16 years. The view above shows the motor to main shaft drive with Diamond Triple Roller Chain, besides which the following are also Diamond driven:—2 crank ends, 2 axles, front and rear conveyor, and hand wheel.

Here Are Some Machines Equipped with Diamond

Holsts	Bottlers
Lawn Mowers	Pumps
Nail Machines	Addressographs
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Car Washers	Asphalt Machines
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A New Era of Better Machines

INDUSTRY'S demand for better and better machines to withstand high speed unflinching production has resulted in the use of such features by machinery designers and builders that will insure the service required.

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Designers have found that the use of Diamond Roller Chain simplifies design—reduces maintenance costs—and cuts delays and interruptions to a minimum.

This roller bearing chain is 98-99% efficient; positive, smooth and quiet in operation; can be run on either side in either direction; and is furnished in single or multiple strands for high, medium or low speeds. It is used on such small products as belt lacers and addressographs as well as on heavy machinery such as cold rolls, power shovels, etc.

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When writing to DIAMOND CHAIN & MFG. CO. please mention Nation's Business

The Map of the Nation's Business

(Continued from page 39)

gasoline sold as low as five cents and as high as 16 cents per gallon.

January exports of merchandise were \$78,000,000 or 19 per cent above those of January, 1928, with two-thirds of this increase accounted for by exports of manufactured goods. Wheat exports were only 60 per cent of the exports of January, 1928. March 1 stocks of wheat on farms plus visible supplies are estimated among the largest on record and 34 per cent above those of a year ago.

The steam railways in 1928 had a curious year. Their gross receipts totalled \$6,177,000,000, a decrease of one-half of one per cent from 1927, while net operating income was \$1,193,000,000, a gain of ten per cent. The gross receipts were the smallest for four years past, while the net operating income was the second largest on record. Passenger traffic on the railroads was the lightest in 20 years, which statement may be taken into consideration with the facts that passenger fares have about doubled in some areas and that bus competition has become universal.

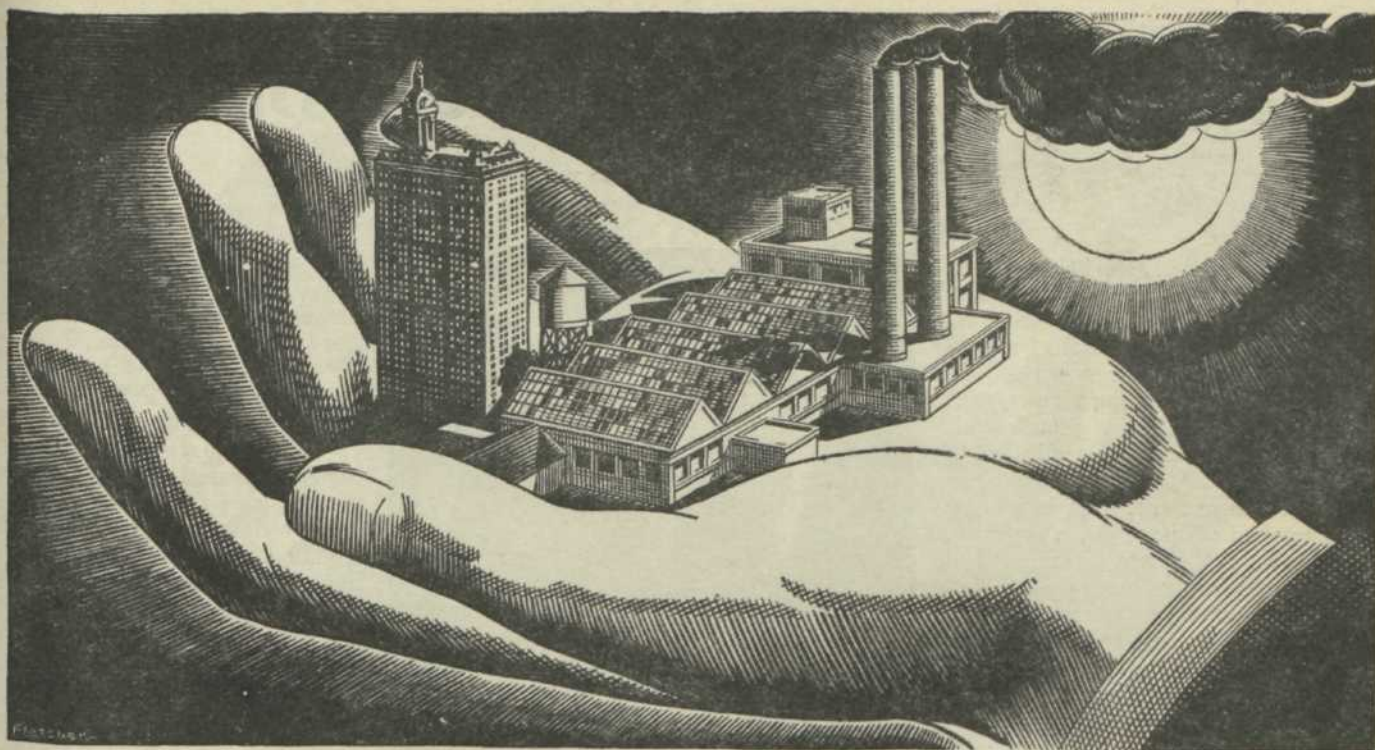
Car loadings for February exceeded those of a year ago by 4.9 per cent, but were eight-tenths of one per cent below those of the like month of 1927. From January 1 to February 23 loadings were 4.2 per cent ahead of those of the same period in 1928 but 2.9 per cent below that period in 1927.

Net Profits Show a Gain

AN interesting compilation by the National City Bank as to results of 1928 trade shows net profits last year by 527 manufacturing and trading concerns of \$1,758,250,000, a gain of 21.6 per cent over net profits in 1927 and of 22.1 per cent over those in 1926. The practically similar totals recorded in 1927 and 1926 afford evidence of the disappointing results of 1927 trade. Bearing upon this is the recent report by the Census Bureau showing a decrease of two-tenths of one per cent from 1925 to 1927 in value of the country's manufacturing output. Part of this decrease was a matter of price decline, for Bradstreet's Annual Price Index for 1927 was 8.4 per cent below that of 1925.

With the so-called barometer trades showing the advances they do over 1928 and 1927 there is a disposition to take a rather cheerful view of trade and industrial prospects over the first half of the year, at least.

The two outstanding "bear" points in the situation are the possible effects of high money upon new trade ventures, particularly upon building construction, and the idea, based upon knowledge of productive capacity, that oversupplies in many lines are not improbable if the unquestionably cheerful tone of things holds when spring trade and outdoor activities begin in the next few weeks.



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*Every morning at nine the vital
figures from each department*

WHEN you need the latest figures to help you make important decisions, can you always get them quickly?

Are your records of sales, shipments, inventories, accounts receivable and other vital factors posted up to the minute every day?

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Elliott-Fisher puts your entire business in the palm of your hand, where you can examine its progress every 24 hours. All the important figures from each department are recorded every day and summarized in a simple, understandable report that comes to your desk every morning at nine. From day to day, week to week, and month to month you know exactly where you

stand. You always know where to put on pressure . . . where to weed out inefficiency.

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Thousands of different businesses have found that Elliott-Fisher converts a complicated accounting system into a simple unified plan, without interfering with their original methods. We should like to explain to you how Elliott-Fisher can be profitably applied to your accounting problem. The coupon will bring you a full description of how Elliott-Fisher will improve your business control.



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Keeping the Independent in Business

By JAMES TRUE

FOR 20 years, John Schwartz had considered himself a successful retail grocer. He had learned his business in the school of experience, spanning the gap between delivering groceries and operating his own store before he was 25. He was proud of his position as the leading grocer of his neighborhood.

Then a change came. A chain grocery store opened up next door. At first, Schwartz was not greatly worried. He had three competitors, and one more wouldn't make much difference, he thought. The chain store would get some of the cash business, of course, but his customers would stick to him. However, many of his customers did not stick. Then other chain stores were opened; within as many months there were five in the neighborhood. As he watched his old customers drift away, he became more and more puzzled.

One of Schwartz's old competitors sold out to a chain system, and another failed. The chain stores did an enormous business. Schwartz wondered where all their customers came from, and was amazed at the prices they offered. He could not buy from wholesalers at the prices the chains sold for. He attempted to meet their prices, but had no success.

Then he began a determined effort to buy goods cheaply enough to meet the competition; he went over the heads of his wholesalers and bought direct shipments from every manufacturer who would give him a wholesale price. He succeeded in buying a lot of products at special discounts, but surplus goods soon began to accumulate in his stock room.

The business had fallen to less than half its former volume. Some of the old customers came back occasionally and charged goods—when they did not have cash to pay the chain stores. For the first time, Schwartz became slow in meeting his bills.

He had several opportunities to sell his store and his lease to the chain organizations, but stubbornly refused, and grew bitter and unreasonable in his denunciation of the "trusts" that had ruined his business. He hung on with the conviction that something favorable would happen, that a change for the better must come if he could only hold out long enough.

What Happened to Schwartz

NOTHING happened to the chains; but something did happen to Schwartz. One Monday morning his store was closed, and posters that covered the windows announced a clearance sale the following Saturday. Hundreds of pieces of advertising, mailed and distributed



J. Frank Grimes heads an organization which helps the independent grocer to help himself

throughout that section of the city, carried more detailed information of the sale and the news that Schwartz was affiliated with the Independent Grocers' Alliance of America, and would offer a new type of service in the future.

Meanwhile, a crew of workmen was literally taking the store apart and putting it together again. The windows and fixtures were remodeled and rearranged. The dingy walls and shelves were covered with bright, clean paint. Schwartz was amazed at the attractiveness of the new arrangement. Then all of the old stock was brought back from the store room, priced according to a scientific standard, and put in place for disposal.

The clearance sale was successful. Crowds of purchasers cleaned out the old stock at special prices, and bought liberally of the new goods.

The reformation of Schwartz's business was the result of his joining an army of more than 11,000 independent retail grocers—an army that is finding recruits daily. This group has learned the tactics and rules of the new competitive warfare, under the guidance of the Independent Grocers' Alliance. More than 6,000 of its members have proven with facts and figures that the average increase in their volume last year was more than 60 per cent, with a healthy increase in profits.

Although the movement, in which the 11,000 retail grocers are taking a principal part, is only a little more than two

years old, the results it has produced indicate that it is one of the significant developments of our present distribution.

Fruits of Cooperation

THE I. G. A., as the Alliance is popularly called, has strongly organized on a cooperative basis 54 selected wholesale grocers, operating warehouses at 120 distributing points, and those of their retail customers who have qualified financially and otherwise. The independent retail grocer is given all of the advantages of his chain-store competitors, while he retains his individuality as a purchasing agent for his community, with all of the attractive features of personal ownership.

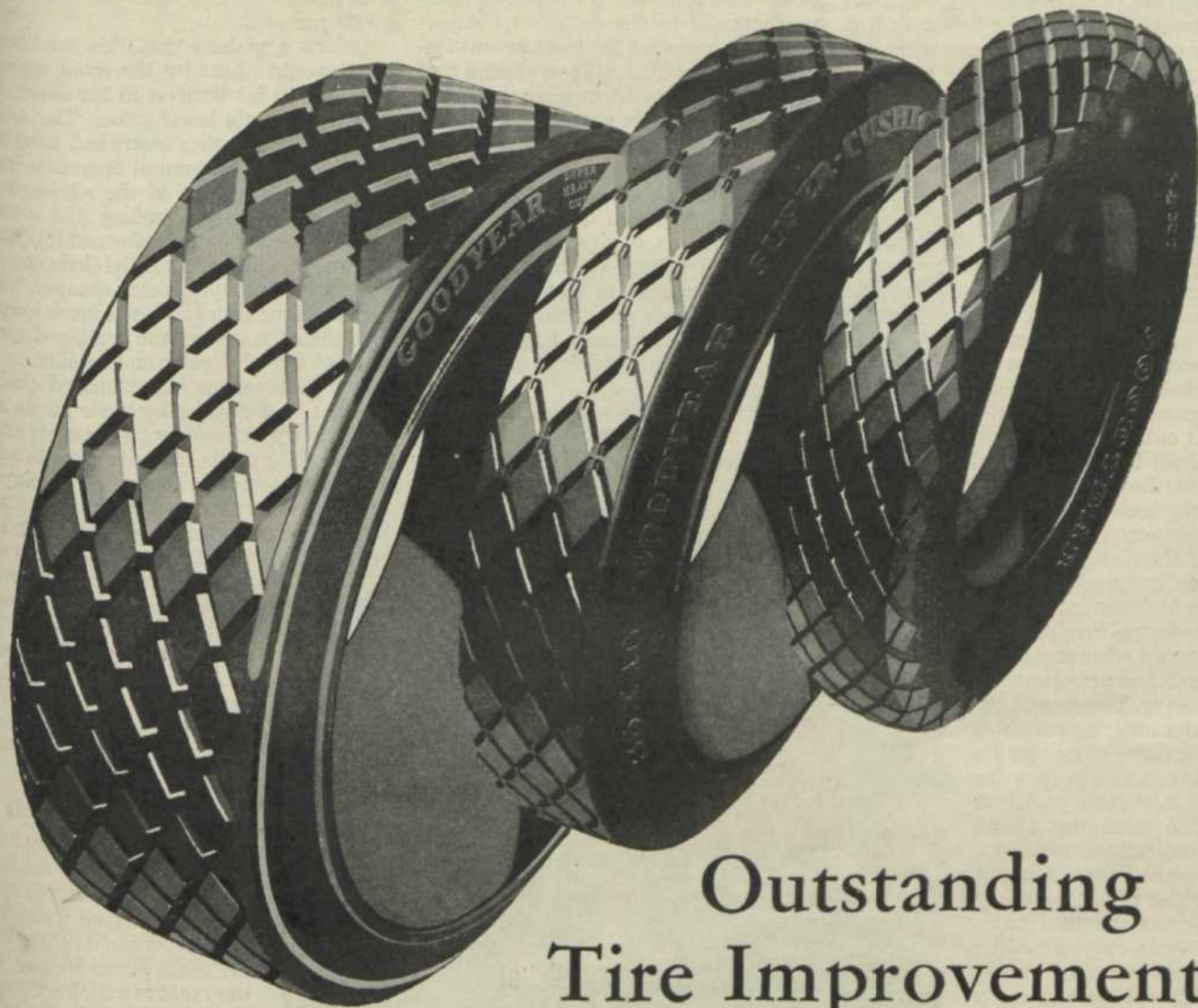
Although the records of the I. G. A. are brief, they establish some surprising facts. As an instance, they prove that an intelligently managed wholesale grocery house can furnish a distributive service that is no more costly than the performance of

the wholesale function by the chains, when it is given equal opportunity with the chains in buying and when its retail customers are organized to concentrate their purchases. Also, experience now shows that when cooperating retail grocers adopt certain principles of business and methods of selling they can compete successfully with any chain-store system.

These results are not attained by means of any fanciful sales plan or short-cut scheme of merchandising. Explaining the methods of the I. G. A. in the headquarters office in Chicago recently, J. Frank Grimes, president of the organization, said that the present plan was the outgrowth of the work of the William W. Thompson Company, certified accountants, and that it was based on the bed rock of cost accounting.

"About 12 years ago," he said, "the Thompson Company began to specialize in the food industry. The company put in cost systems for manufacturers, and worked with a large number of wholesale grocers in departmentalizing their businesses and devising accounting systems for them. In 1926, the firm had 260 wholesale grocers as clients, some of them among the largest and most prominent firms in the country.

"In this year, the Harvard Business Bureau estimated that the net profit of the average wholesale grocer who made a profit was one-half of one per cent. The Thompson Company's clients showed an



Outstanding Tire Improvements add new earning power to trucks

Goodyear tread designs draw a line between inter-city and intra-city hauling. New toughness in the tread and beneath it meets the new demands of sustained speed. New power is put into traction and new means are developed for prolonging it for added thousands of miles. New resilience is now introduced into tires of solid rubber.

Extra vitality is built into the very carcass structure of the new Goodyear Pneumatic Truck Tires.

All these advances aim at the target of decreased hauling cost.

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The Greatest Name in Rubber

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average net profit of three per cent; but this record appears to be better than it really was. For five or six years there had been a downward trend in the wholesale volume of the grocery business.

New Methods Become Imperative

FOR about ten years the company had been revising the budgets of expense for many of its grocer clients, and working with their salesmen in an effort to sell items that were more profitable than the general lines. In this way, for a time, the downward sales trend was overcome for its clients, as far as percentage of profit was concerned; but the volume of business continued to diminish, and for wholesale grocers as a class profits were all but wiped out.

"About four years ago, the accounting firm reached the point where it could not cut expenses further for its wholesalers without completely revising the established distributive methods. Then it began an investigation in 12 states to determine the economic factors involved, and to discover what changes in methods and practices were necessary. This promptly led into an examination of the condition of grocery retailing, and there were found most of the problems.

"The company found that independent retail grocers were disappearing at a surprising rate. Most of the surviving stores were reducing stocks and curtailing expenses. Data showed that, during the previous six years, the retail grocers in the 12 states had lost approximately 32 per cent of their business, and this estimate checked closely with the loss in volume of wholesale grocers.

"Of course, much of this loss was due to the inroads of the chain stores, and it was obvious that one of the advantages of the chains was their buying power. In facing this competition, the average independent grocer was mystified and discouraged. He was convinced that his most serious problem was to discover how he could buy and sell as cheaply as the chains. So he was spending a great deal of unproductive time in trying to obtain inside prices.

"He not only bought from every manufacturer who could be induced to sell direct, but he shopped around among wholesalers and accepted all kinds of free deals and other uneconomic inducements to overload his shelves and stock room.

"The investigation dis-

closed that while the low prices on many products sold by the chains were important, they were not the most serious factor in the competition. It was found that the average independent grocer could not compete with chain stores on a basis of price, regardless of how cheaply he bought his stock.

"A way was soon discovered, by organizing a group of carefully selected wholesale houses, to give the right kind of independent retailer the advantage of a buying power equal to that of any chain system; but I am confident that the success of the plan is more largely due to the solution of a number of other retail problems."

During the retail investigation, the affairs of the wholesaler were not neglected, and it was found that the average wholesale salesman was calling on 96 accounts and producing sales of only \$6,800 a month. The average salesman made about four calls on each account a month, and

was able to sell less than \$18 worth of goods per call.

Grimes explained that this condition was brought about by the retail grocer splitting up his business in his determination to obtain lower prices. The tendency toward smaller orders had gone so far as to make economical operation impossible on the part of the wholesaler. For the same reason, selling and other costs, for both the wholesaler and retailer, were steadily rising, while the chain stores were not only buying much cheaper, but were handling their goods at a much lower rate than the cost of the combined services of the wholesaler and retailer.

At this time, the best managed chain systems were distributing their goods at a cost of approximately 20 per cent, and were reaping the benefits of adequate advertising, attractive stores and displays, convenient arrangement of stocks and other results of scientific management. In contrast, the independent grocer was so absorbed in trying to buy closely and was devoting so much unproductive time to the increasing number of salesmen who called on him that he was neglecting his pricing, advertising, and other factors of store management.

Independent's Needs

AFTER completing our study," Grimes continued, "it was clearly shown that the average independent grocer could not match the chain stores in any of the factors which attract business, unless he was properly aided and educated.

"Complete organization was shown to be the best means of solving the retailer's problems. It was unmistakably indicated that the retail grocer must confine his purchases to a single source of supply, if possible. Then it became obvious that the wholesalers must be strongly banded together and combine their buying to secure all of the special discounts, concessions, allowances and the like necessary to place their customers more nearly on a par with the large chain outlets.

"But even on an equal buying basis the wholesalers could not successfully compete at their cost of distributing goods. Nothing was more clearly evident than the necessity of reducing both the wholesalers' and the retailers' costs of distribution. Analyses indicated that it might be possible to reduce the wholesalers' part of the distribu-



AS SOON as a retail grocer joins the Independent Grocers' Alliance workmen are sent to remodel and redress his store. Most of the counters are dispensed with so that customers may have easy access to goods. Self-service is encouraged but the service policy is never neglected



LOUIS T. FRITCH, NEW ORLEANS

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America is developing its wings. A new big industry has arrived—and with it a new need for protection from fire's menacing attack.

The aviation industry, following the example of almost every great American industry, has turned to American-LaFrance and Foamite for fire protection advice and equipment. Over 50 airplane factories, and more than 120 airports dotting the country, are safeguarded by some type of American-

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American-LaFrance and Foamite Service is based on three things:

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can be unprejudiced in our recommendations.

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All this is at *your* service, to safeguard *your* business and *your* profits from fire. A series of booklets telling how to protect *your* plant will be sent on request to American-LaFrance and Foamite Corporation, Engineers and Manufacturers, Dept. D-53, Elmira, N. Y.

AMERICAN-LAFRANCE AND FOAMITE PROTECTION
A Complete Engineering Service
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★ AMAZING OPPORTUNITY for manufacturer who must cut costs

CONDITIONS in Piedmont Carolinas attract every manufacturer who faces:

- (1) ruinous prices set by competitors anxious for sales;
- (2) unreasonable demands by labor every time business shows some sign of improving;
- (3) top-heavy investment in plant and excessive overhead.

These conditions face manufacturers in all lines, to some extent. But in one industry they are most acute—and if that industry can escape them it points the way to every other.

Garment Makers Prosper Here

Makers of women's dresses, children's rompers, blouses and wash suits, men's shirts, men's clothing, and makers of cotton or rayon underwear—all know the meaning of cutthroat competition.

Experience of manufacturers in these lines points the way to others. On moving to Piedmont Carolinas they have found cost of plant reasonable and operating overhead remarkably low.

They have found ample supplies of intelligent, farm-reared white labor, that after a short learning period turns out high production.

They have taken advantage of abundant raw material sources.

They have seen all these economies result in costs so low that they could set prices at sales-compelling levels and at the same time earn handsome profits.

★The figures and data are in this book.

Write for it today, addressing Industrial Department, Room 125, Mercantile Building, Charlotte, N. C. Your request will be fulfilled gladly.



DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY
AND OTHER ALLIED INTERESTS

tive costs to six per cent, and the retailers' to ten per cent through organization. So the I. G. A. came into being. Now our figures for last year show that the original costs estimates are being approached by a number of wholesalers and retailers, and that a goodly number of the latter are actually beating the estimate of ten per cent. So we have excellent reason to believe that in another year we will have established the spread of 16 per cent as the general cost of I. G. A. distribution from factory to consumer.

Reducing Distributive Costs

IN the marked reduction of the wholesalers' distributive costs, concentration of selling was the most important factor. After the organization became effective, the wholesalers' salesmen were keyed to an average of from \$25,000 to \$30,000 of volume per month, and each man placed his average by calling on not to exceed 35 I. G. A. retail grocers, instead of selling only \$6,000 per month by calling on 96 accounts. And the expense budget of all wholesale members for 1929 indicates a further possible reduction of approximately \$2,700,000 in expense through the concentration of purchasing by retailers."

In further explaining how these results were attained, Grimes said that intelligent independent retail grocers everywhere were willing to cooperate as soon as they understood their part in economical distribution and were assured that it was the wholesalers' purpose to pass along to them their part of the saving due to the organized cooperation.

It is generally understood that all wholesale members will pass on to their retail customers in the I. G. A. at least 75 per cent of savings due to mass buying and other economies, and that the retailers, in turn, will give a similar benefit to the public.

Educational Work Continues

OF course, a great deal of educational work has been necessary to equip the wholesale members to promote the essential methods, and it is still going on. Regular meetings are held in Chicago which are attended by executive officers of the wholesale members. These executives attend classes in buying and all phases of merchandising, and are trained to demonstrate the necessary merchandising methods to their customers.

"When a retail grocer signifies his desire to join the I. G. A.," Grimes said, "and if he is qualified as to intelligence, finances and store location, he is invited to sign a contract with the wholesale member to whom his territory has been allotted. The I. G. A. plan is then put into effect for the retailer by the wholesale member.

"All wholesale members are under three-year contracts which define their territories on an economic basis, and name the counties in which they may operate on the plan. Of course, they may sell their goods wherever they want; but they cannot operate under the I. G. A. plan beyond the boundaries of their ter-

ritories. This policy encourages the wholesalers to cooperate enthusiastically instead of fighting each other.

"When a retail grocer joins and cooperates with a wholesale member, he is required to sign a contract whereby he agrees to remodel his store according to I. G. A. specifications, to adopt the service which is indicated as most desirable in his case, to cooperate with the wholesaler fully, and to accept any and all additions to the plan which may be introduced.

"In return for a weekly fee of \$3.50, paid to his wholesaler, the retailer is given advertising material which would cost him many times this amount if he bought it individually. The general supervision of his merchandising costs him nothing further. At first, however, he usually considers his primary advantage a marked concession in price on a wide range of products, due to the central purchasing for wholesale members which gives the I. G. A. a mass volume in buying that now surpasses the volume of most of the chain-store systems."

Regenerating the Retailer

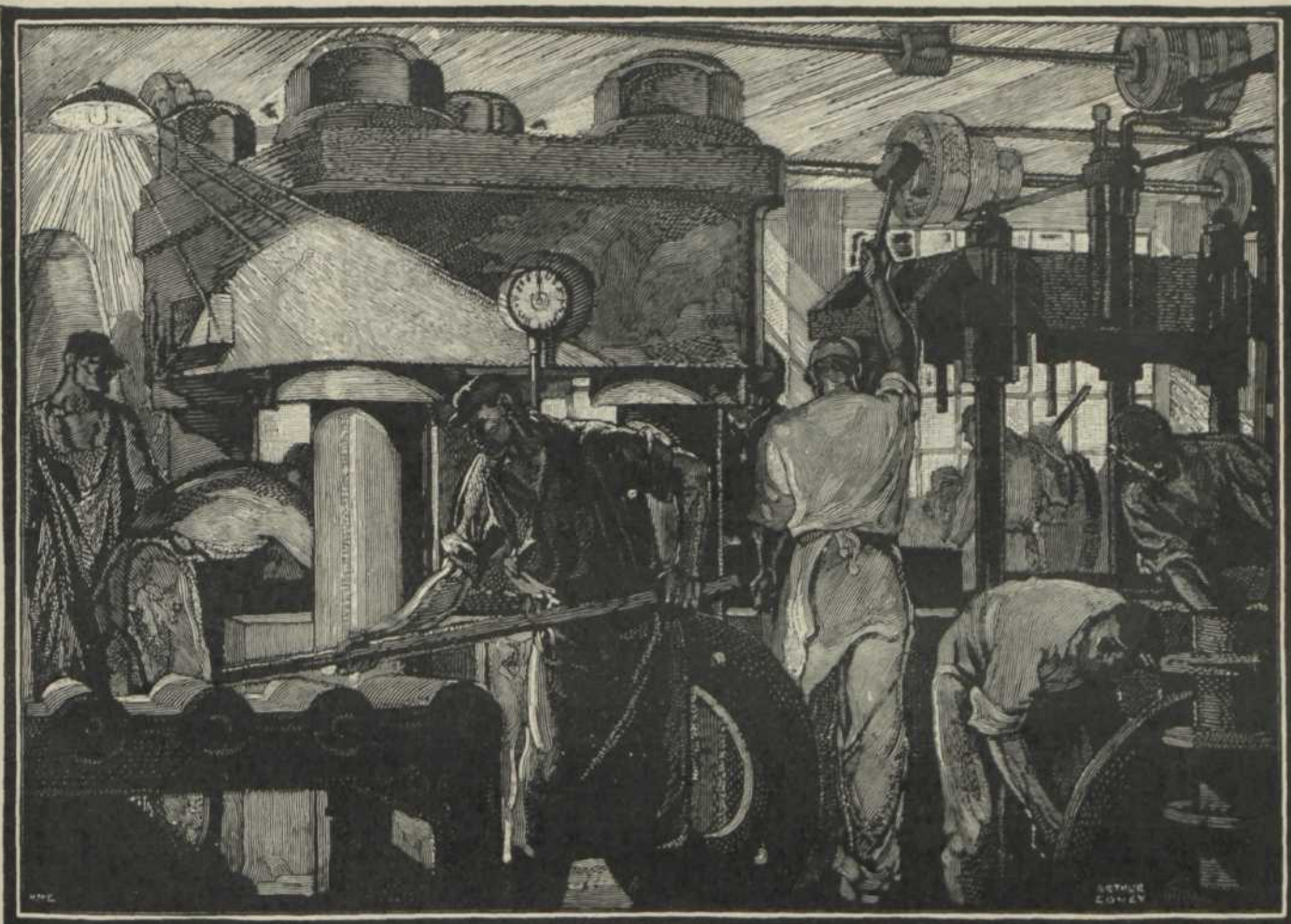
THEN, as Grimes pointed out, the work of regeneration begins for the new retail member. The I. G. A. sends workmen to remodel and redress his store. Most of the counters are dispensed with. The shelving is cut down to six feet in height. The exterior of the store is painted in old ivory and blue, while the interior is finished in white and blue. Over the store is placed a standard sign bearing the grocer's name, with the insignia of the I. G. A. at each end. The insignia is also placed on the windows and doors. This reconstruction work is paid for by the retailer on a basis of cost of material and labor, and while the remodeling is going on all goods are removed from the store, inventoried and studied.

Then, under the direction of the wholesaler's superintendent and a field man from headquarters, the stock is rearranged on the shelves according to the demand for it and its proper rate of turnover. In every case there is a surplus stock of merchandise, which in many instances amounts to 60 per cent of the total. It consists of duplicated items and brands and surplus stock of almost every conceivable kind. This excess illustrates the extent to which the average independent grocer has been the victim of free deals and high-pressure selling.

Duplication Freezes Capital

THE I. G. A. has found as many as 26 brands of coffee and 37 brands of canned peas in a store. Recently, a retail grocer who joined the Alliance had nine brands of lye in stock. Almost without exception from three to ten lines of extracts and spices are found, with conglomerate stocks of practically everything else.

In all cases, the retailers are shown just what this surplus stock has cost them in freezing their capital, retarding their turnovers, and loading their shelves and stock rooms with slow-moving and dead merchandise. As soon as a new member's



Mural by Arthur Covey. Wood block engraving by Howard McCormick

Tiny grains of abrasive, a plastic organic bonding material, the application of heat and of tremendous power—thousands of pounds pressure. And one type of grinding wheel is formed—wheels for certain definite kinds of work. In direct contrast, wheels their equal in cutting efficiency but for different kinds of work take their form from pouring a semi-liquid mass into molds. With five bonding processes, three abrasives and hundreds of formulae, Norton wheels meet the world's widely varying requirements.

From practical experience comes the demand for a stronger or weaker bond, coarser or finer abrasive, or another type of abrasive, greater or lesser density. The slightest change in formula may produce the desired change in the wheel's cutting action. By these means must be met the exacting demands of industry for grinding its steels and irons and their many alloys, as well as softer metals and other materials.

The Covey mural in Norton Hall here reproduced presents one good reason for Norton success—a proper co-ordination of human effort and machinery.

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Speed - with the maximum of Check protection



This new model—representing fifteen years of experience in building the famous Safe-Guard Check Writers—appeals to every business man

The NEW
INSTANT SAFEGUARD



Weigh these features

PROTECTS payee's name automatically while imprinting amount—an exclusive, patented feature of vital importance.

Big figures that can't be missed—that defy the check-raisers.

Amount right before operator's eyes—obviates error.

Check drops to exact printing position by gravity.

Instant release of entire amount set up.

Individual column correction keys.

Easy, speedy, quiet operation—just one movement of handle for entire amount.

We will gladly send further details, with specimen check protected with this "last word" in check protection, or will arrange for demonstration free of obligation. It is a pleasure to explain how you can secure maximum protection for your checks.

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INEXPENSIVE ACCO FASTENERS protect your important papers and compel filing accuracy, thereby saving reference time of clerk and executive.

Two prongs on a broad base and a lock compressor firmly bind papers together. Can be used in any standard filing folder. The first filing operation is the last.

Write for samples, giving dealer's name.

AMERICAN CLIP COMPANY, Long Island City, N. Y.

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Sod in six weeks. A rich, velvety stretch of lawn that chokes out weeds before they can grow! A deep, thick, uniform turf that's everlasting and that makes your home a beauty spot.

The New Super-Lawn
Instead of sowing seed, you plant stolons or the chopped grass—and in a few weeks you have a luxuriant lawn like the deep green pile of a Turkish carpet. Read all about this unusual grass in our illustrated booklet "Bent Lawns." Mailed on request.

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388 Main Street, Marysville, Ohio

BONUS of 50,000 COPIES

The net paid sale of the 1929 Extra Edition of NATION'S BUSINESS will be approximately 350,000. The advertising rate will be \$1,200 a page, based on 300,000 circulation.

The Extra Edition will report the Seventeenth Annual meeting of the United States Chamber of Commerce in Washington April 23 to May 3. Forms will close May 1, publication date May 25.

store is ready, a grand opening sale is held with the surplus stock. The sale serves both to clean house and to introduce the transformed store to the public.

The store is now arranged so that customers have access to all items. Every article is priced conspicuously. Self-service is encouraged and everything is done to stimulate the cash and carry business where the character of the neighborhood and other considerations indicate that it can be built up profitably. The service policy is never neglected, for usually it is a competitive advantage; but the I. G. A. makes every effort to regain the cash business of all who join the movement.

Buying Becomes Automatic

WITH a system of stock control in effect, the buying of goods by the retailer and the filling of orders by the wholesaler become almost automatic. In this way a great deal of time is saved by the retailer. Buying is no longer a problem which involves a never-ending search for lower prices; it is reduced to a simple routine, and the retailer is given every possible assistance in concentrating on business-building effort.

"Our last Thanksgiving drive is a fair example of what the right kind of selling cooperation can accomplish for the retail grocer," Grimes said. "One of the leaders was a brand of canned pumpkin. Grocers who cooperated in the drive sold more of this product during the week of the sale than they had sold during the previous two years.

"Another recent leader was a brand of macaroni, and our grocers disposed of approximately 3,000,000 packages during the sale. One retailer wrote us that he sold 150 sacks of flour weighing 49 pounds each in one day. Another, reporting on the first day of his sale, wrote that he had sold \$1,353 worth of merchandise, and added that he thought it a pretty good day's business for a store in a village of 190 population. Statements concerning similar experiences that have reached us would fill several large volumes."

Both from his discussion as outlined here and from a number of reports referred to by Grimes, it was shown that the I. G. A. plan gives stability to the distribution of groceries by providing mass buying power and also by exercising control over the practices of cooperating retailers. The I. G. A. has not only formulated a complete and simple plan of wholesale and retail merchandising, but it sees that the plan is carried out in every detail.

As to the future, Grimes is particularly optimistic.

"In the United States," he explained, "there are at least 200 wholesale territories in which our plan may be successfully applied. We are now operating in fewer than one-third of these territories, and one of our urgent problems is to enlarge our headquarters organization rapidly enough to take care of our growth."

It would seem that grocers' organizations will come increasingly into the public eye.

A New Era Dawns In Industry

(Continued from page 16)

American business man knows that time is the very essence of progress. That is why he has accepted the airplane.

"A constantly increasing number of business concerns are buying planes for their own use. Business men like a clean, comfortable, fast journey—and that is what the airplane offers. Warm, fresh air heats the cabin of the plane during the severest weather and in Summer there is never a day so hot that the air traveler cannot find cool, crisp breezes a few thousand feet up.

"Ordinarily an airplane is smoother than a railroad train and passengers may read or write in comfort. In addition to the physical comforts, we must not forget that the airplane is the only vehicle that takes full advantage of the old geometric axiom that a straight line is the shortest distance between two points—or two cities."

On a smooth ramp of air the plane glides over mountain ranges and across rivers, lakes and forests while all other means of transportation must conform to the conditions of the country through which they are passing.

Planes Are Useful to Executives

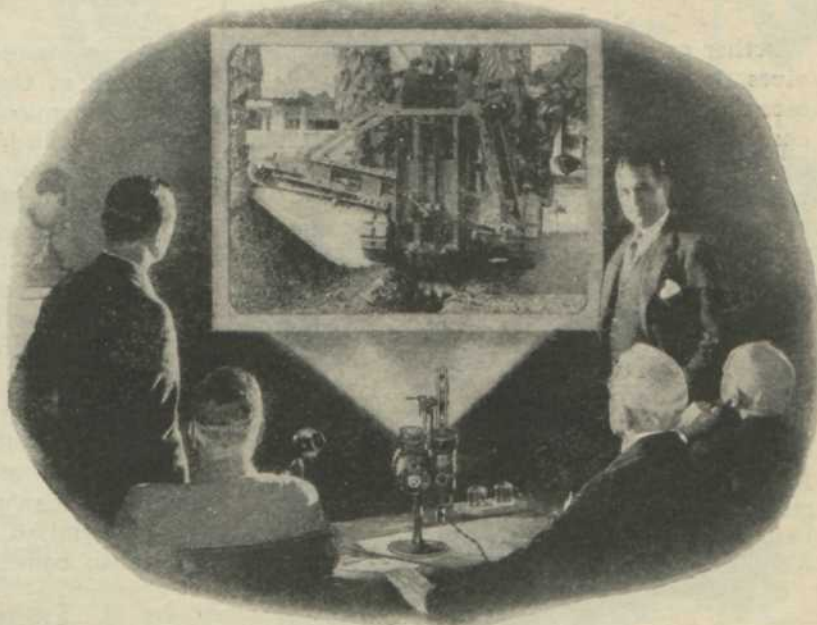
E DSEL FORD pointed out that some of the larger corporations have had big transport planes equipped as flying offices in which their executives can work as they travel.

But not all business men have use for the big planes in which the overhead expense is necessarily high. Consequently the smaller cabin ships also are finding favor in the eyes of progressive business concerns of all kinds. A large bank whose officials travel frequently has a four-passenger cabin plane for their use. The head of the bank's publicity department makes considerable use of the plane in his travels, and other officers often take trips up to 300 miles, attend their conferences and return to their homes the same day.

"A Detroit business man breakfasts at home and flies to his Cleveland branch for a 10:30 appointment. After lunch he flies to Columbus, 140 miles away, for a late afternoon conference. Leaving Columbus next morning, he lunches with his Pittsburgh manager and arrives in Washington, D. C., in plenty of time for a business meeting before dinner. Next day he meets his Youngstown representative there, drops into the Cleveland airport long enough to sign some important papers and returns to his Detroit home for a dinner party that evening.

"Business men ask me if these young pilots are not rather expensive luxuries to have around," Mr. Ford remarked. "Perhaps as pilots alone they are, but that brings us to another instance where aviation offers a dual opportunity. A large number of them are bright young men who have no desire to be pilots all their

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Use BELL & HOWELL Filmo Projectors

NO matter how far distant your prospects and customers, you can now give every one of them a "trip through your factory."

No matter how bulky your product, your salesman can now "demonstrate" it to every prospect—ably—in the prospect's own office. *Simple!*

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To an audience already intensely interested, your factory leaps into view—becomes a living reality. Machinery operating. Workmen hustling about. Close-ups of men, materials, methods. Then the finished product is demonstrated—shown in action with convincing vividness.

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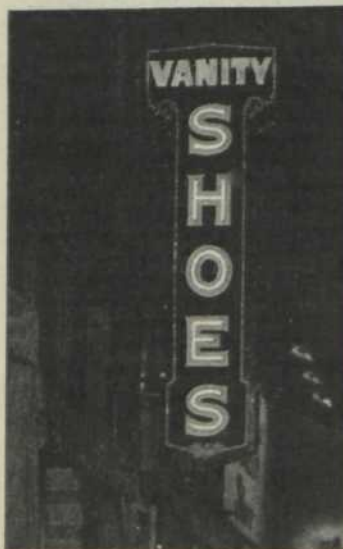
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"Possibly their employer may be a sales manager, advertising director, or office counsel, but whatever he is his young pilot has an excellent opportunity to learn the business, the men in it and the way they do their work. The actual flying time will average only two or three hours a day. In a few years the pilot acquires sufficient experience to qualify him for traveling alone. At that time he ceases to be a pilot and becomes a young business man who flies his own plane.

"The airplane has caused the map of the United States to shrink. Today it is less than one-third the size it was a few years ago. True, the mileage from coast to coast and from Canada to Mexico remains the same but distance is no longer a matter of miles. Schedules are made in minutes nowadays.

"The world has learned that the airplane has passed out of the period of experimentation and become an established fact. Consequently it is of vital importance to American business to support commercial aviation and maintain efficient airports."

Government—Enemy or Ally of Business?

(Continued from page 24)

to get a fair bill through the legislature on liability insurance for workmen. The Association wanted to see a bill that would be absolutely fair to everybody, that would absolutely insure the workman and yet put no unjust burden on the employer.

Mr. Glenn hoped to have a great number of manufacturers appear before the legislative committee at Springfield for a free-for-all discussion. He sent out about 2,000 circulars to the manufacturers of the state, asking them to attend a committee hearing at Springfield. He thought he could get perhaps 200 men out. I went to Springfield with Mr. Glenn, and when the time of the hearings came we found that we were involuntarily representing the entire manufacturing interests of the state. Not another man showed up!

Mr. Glenn did the work himself. He conferred with the committees. The bill was passed.

Then things changed. With the bill a law, the employers began to get busy. Four or five hundred of them arranged for a meeting in Chicago to protest against the "vicious legislation" that had been put over on them by the state machine. Mr. Glenn was asked to the meeting. He went. For an hour he listened to denunciations of the governor, of the members of the committee, and of the state government generally. Then he was asked to speak. He said:

"Gentlemen, this is a great meeting.

This shows that business men are becoming interested in public affairs. But before I express my views, I should like to have all the gentlemen, who attended the committee meetings at Springfield when this bill was being discussed, stand up."

He waited a moment. No one stood up. Then he went on:

"I don't believe you understood what I said. This meeting has been called to protest against a law that is now on the statute books. Before me are some of the most prominent manufacturers and merchants in Illinois. I think that every one of you received an invitation to attend the hearings on this bill when it was in committee. I should like to know how many did attend, for then I can explain the bill much better to those who did not take that opportunity."

Who's to Blame for Bad Laws?

THERE was another dead silence—rather deader than the first one. Then Mr. Glenn explained what the bill was, that it was a fair bill, that he asked practically everyone to come forward before its passage and express an opinion, and that no one had come. He had, therefore, gone ahead and done the best he could and he thought the result was to be praised rather than blamed, and that anyway, suppose the law were a bad one, who was to blame for its badness but the very people before him?

If they had facts which the legislature should have known before the passage of this bill, then they should have revealed those facts.

The Government cannot cooperate with business unless business chooses to cooperate with the Government. There can be no impersonal cooperation. But with the giving of personal and intimate cooperation anything which is right can be accomplished.

Already much has been done. For instance the Government encourages competitors to meet and discuss their common problems such as cost accounting and standardization, providing the public interest is always fully protected.

Again, the Webb-Pomerene Act permits combinations of competitive American manufacturers engaged in export trade to regulate their foreign prices to meet foreign competition.

The Government has legalized the general principle behind the formation of conference rate agreements in international shipping, designed to obviate ruinous competition in ocean freight rates.

The Transportation Act provides for consolidating railway properties into a limited number of systems, and the Parker Bill now in Congress, if passed, will further emphasize the importance of definite action to bring this about.

The Department of Justice still vigorously prosecutes violators of the Sherman and other laws, but, in the new spirit of cooperation, it recognizes that, when the public interest is not adversely affected, constructive efforts by corporations to expand are not a menace but a benefit to the country.

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Commander Byrd's Snow Flyer

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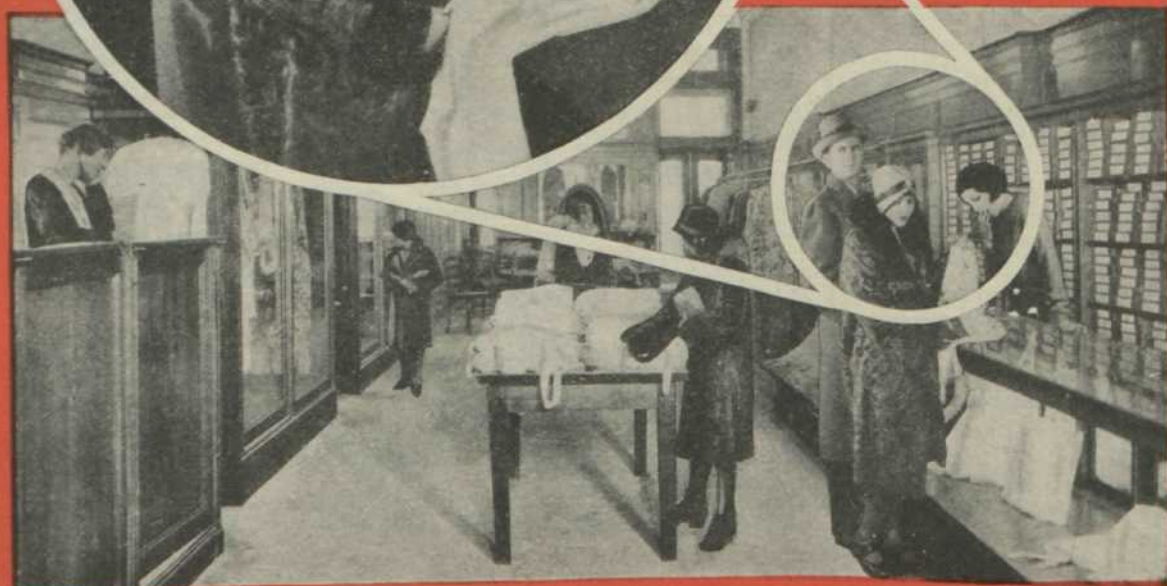
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Protecting Your Estate

By ALBERT S. BROOKS

Vice President and Trust Officer, United States National Bank, Denver

A FEW days ago a young business man stopped at my desk.

"My grandfather died some years ago," he said, "leaving an estate valued at around \$48,000. This fund has been handled by an old friend of the family.

"There is no charge against the fund except a small monthly payment made to my grandmother who lives in a quiet way in a New England village. Yet in a few years the estate has shrunk from \$48,000 to \$27,000. Do you not consider this shrinkage excessive and unusual?"

"It is excessive," I answered, "but I am not sure it could be called unusual. Losses to estates are a matter of almost everyday occurrence."

"What can I do about it?" asked my friend.

"Do you believe this man guilty of fraud or dishonesty?" I asked.

"No," he replied. "I believe he is honest, but he is not a good business man."

"Unless he is grossly incompetent or absolutely dishonest," I said, "I doubt if you can have him removed. You can hope for the best. That is about all you can do."

I did not tell my visitor that I had on my desk at that moment a file containing records of eight estates, in every one of which the person who came into charge of affairs on the owner's death promptly absconded with all the funds.

I have seen several recent reports showing the normal percentage of shrinkage to be expected in the settlement of an estate. The newspapers carried a report recently, accredited to the National City Bank of New York, showing that in the average estate, 20 cents out of every dollar is used during the period of settling the estate. One of the large insurance companies quotes a similar figure. I have seen the results of other investigations, however, where a shrinkage as high as 45 per cent is recorded.

How Can Loss Be Avoided?

WHAT causes these losses and how can they be avoided?

Many times losses to estates are unpreventable. When a business man is taken away from a business which he may have built up through his own efforts, a loss is practically unavoidable. Business insurance will help to tide over many losses. But sooner or later the absence of the genius of the business will be felt



COULD you immediately find someone able to take over your affairs without loss? That must be done at your death and the average estate shrinks 20 per cent as a result. How, then, can a business man protect his heirs against mistakes?

and the loss must then fall on someone. Take the case of a Wyoming cattleman with whose circumstances I am familiar. He and his partner own a ranch of tremendous size. Both are highly skilled, technical men. They came through the big depression after the World War with very little loss. The chief reason was that they gave minute attention to the business of raising cattle. They knew its dangers and pitfalls.

"How can I arrange my estate so that upon my death there will be no loss to my wife and daughter?" this man asked me.

"You cannot," I replied. "Suppose you were required to find, on short notice, someone who could immediately step into your shoes and take over your business? There is not a cattleman in Wyoming who could at once adjust himself to a situation such as yours.

"Consider then how much more difficult for your estate to do this without your help, after you are gone. Business insurance will help. A carefully drawn will, giving your executor definite powers in the conduct of your business, is desirable. But there is no plan that offers any

hope that a year after your death your business will be worth as much as it is worth today.

"There are, however," I went on, "a number of plans that will enable you to guard your family effectively against complete loss of what you have accumulated for them."

All Might Be Lost

"IT'S not likely that everything would be lost," he said.

"It is entirely possible," I replied, "and it happens every day. I have known of several cases where the property of a business vanished almost over night upon the death of its owner."

I was thinking at the moment of a case I had been reading about.

A successful Pennsylvania business man died and among his assets was a valuable retail store in Connecticut. He had left no will, nor had he made any plans for protection of his property. His wife was the chief beneficiary and she was appointed to settle the estate.

One of those who gave the widow advice was the son of her husband's business partner. She had met this young man socially and discovered that he had a most attractive personality. He described some of his business deals to her and she thought him very clever. As a result she placed him in charge of the retail store. Because of the social relationship, she considered that it would be discourteous to ask him to provide a bond, so none was given.

The records in the litigation that followed some years later do not describe in detail the volume of business done by the retail store. It must have been considerable, however, for during this period the widow's friend was found to have wrongfully appropriated funds amounting to \$125,000. He was declared a bankrupt and the estate was lost.

No one thing gives direction to the settlement of an estate and helps so much to avoid delay and loss as a properly drawn will. A will of this kind has the force of law itself. When a man leaves a will, he, in a sense, controls the settlement of his own estate. Where no will is left, it is necessary for friends, relatives, or business associates to undertake the work.

Sometimes ill fortune follows an estate in spite of extraordinary efforts to prevent it. The case of Mr. Ball, a California millionaire, is in point. Mr. Ball

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left an estate of considerably more than a million dollars. Shortly after his death, oil was discovered on property that was listed of little value and the land was sold for \$1,800,000.

Mr. Ball left a will in which he named three friends, a business man, a mining engineer, and his business partner to look after his estate.

The first two of these were successful men. When called upon to act, however, both declined, although the fees they would have received were very substantial indeed. So the estate passed entirely into the hands of the business partner. This man had difficulty in distinguishing between the interests of the estate and the interests of those who sought to obtain money from it. As a result, the Superior Court found it necessary to remove him, and the Supreme Court sustained this action. Eight years after Mr. Ball died, an estate worth nearly \$3,000,000 was without the protection of any of the three men chosen to look after it.

Executors Are Fallible

IRECENTLY had before me the results of an analysis of 1,000 probate cases taken in rotation, one after the other, from the records of one of our typical western probate courts. One of the surprising facts shown by the analysis was the large number of cases where the person chosen to settle the estate never actually completed his work.

In most instances this was due to a natural cause—the fact that the executor, like the will-maker, had passed away. Few of us consider that our friends and business associates belong to the same day and generation as ourselves, and are likely to leave active business life about the same time we are.

Some estates become involved in difficulties because the will has not been properly drawn. I have known of wills being written on backs of envelopes, on pieces of bark, and on fragments of a garment. None of these wills have been admitted to probate. Not because of the material upon which they were written, but because of the lack of proper formality in the drawing and signing of the document. The law carefully provides the manner in which a will shall be signed and witnessed, and unless a will is made in this way it will have no value. There is no point in which the courts are more strict than in this.

I recall a case involving the will of a wealthy widow that illustrates this point. This woman decided to keep as far away from attorneys and banks as possible. Accordingly, she asked no attorney to draw her will and consulted no bank in its planning. She bought a form at a store, and read all she could find regarding the drawing of wills. She then filled in all the spaces on the blank form, called in her neighbors to witness the will, and laid it away with her papers.

Upon her death the will was presented for probate. The neighbors testified that they had signed it as witnesses in her presence and in the presence of each

other and that she had told them it was her will. It was found, however, that the line in the will for the woman's signature was blank. She had signed the will in the attestation clause above the witnesses' names. Eight firms of attorneys tried to prove to the State Supreme Court that the woman had in fact "subscribed her will," and that it was a legal document. They fought in vain. The Court held that the will was not signed as required by law, and so could not be admitted to probate.

Under ordinary circumstances those who come into control of an estate are faced with the necessity for immediate sale of the business interests of the deceased. The laws do not ordinarily permit an executor to continue operation of a business. His function is to sell and liquidate. He seldom undertakes the risk of operating the business, since if the business should suffer losses he must bear these personally and cannot charge them to the estate.

In our modern, complex business life hardly any business can be immediately liquidated and sold without loss. To be required to sell the business at any moment involves almost certain loss. The wills of many business men now contain provisions giving their executor greater freedom in the handling of their business affairs than is possible otherwise.

Many business men postpone making a will because it seems to be quite a task. As business documents go, I should say that a will is comparatively simple.

Select the best possible executor, solely on sound business considerations and not on sentimental ones. Your executor must liquidate your business—a task that would be difficult for you yourself, with all you know of the business. To select someone less qualified than yourself is the sheerest folly.

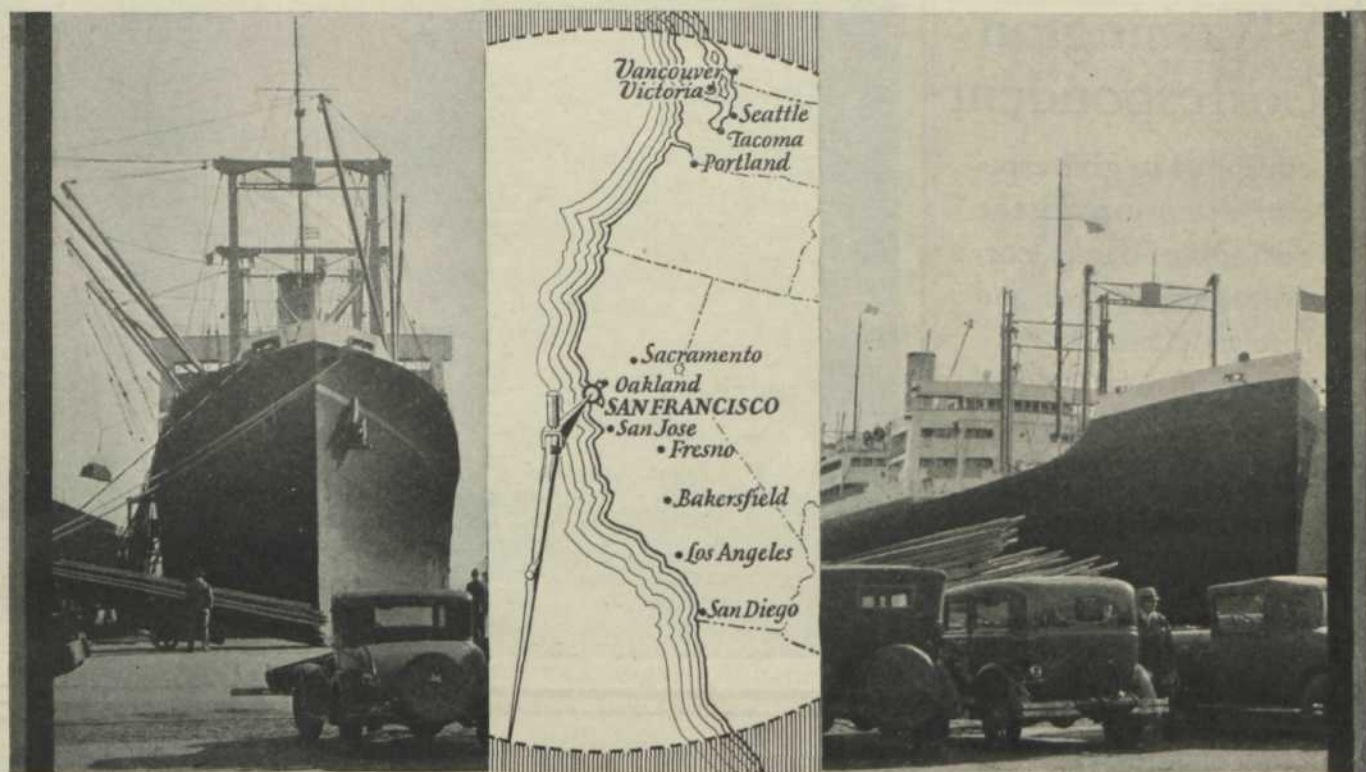
They Lose by Liquidation

ACOMMON source of loss to estates of business men comes through their failure to leave a will providing that their estate may continue to hold corporate stock of the various corporations in which they are interested. It is not the intent and purpose of the laws governing estates that the one placed in charge of them shall continue to carry on the business affairs of the deceased. The executor is admonished to convert the personal property into cash as soon as convenient.

In many cases the personal property consists of the capital stock of a very profitable business. It is not to the best interests of the family that this stock be sold. Nevertheless, the law requires it and the stock may have to be dumped on the market at a most inopportune time. A simple provision giving authority to the executor to hold the corporate stock is now included in many wills.

Every business man ought to plan carefully for his business when he makes his will. If he fails to do so, he may unintentionally disinherit his family altogether. It is a serious matter to spend a lifetime building up a business and then have it all slip away in a few months.

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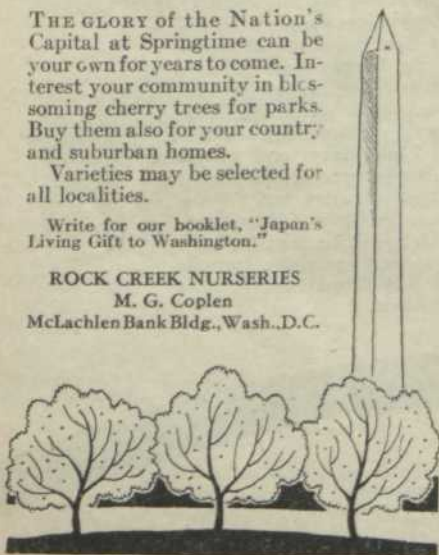
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What and Why of Bootleg Loans

(Continued from page 17)

last figure represents the so-called "bootleg loans"—the funds advanced by others than banks and bankers, of whom the most important are the large corporations. It is not only the largest of the three items, but is nearly equal to the sum of the other two.

The increase in the importance of this item during the past year is striking. On February 15, 1928, the brokers' borrowings amounted to \$3,819,000,000 of which \$1,152,000,000 was loaned by New York banks for their own account; \$1,531,000,000 for account of out-of-town banks, and \$1,136,000,000 for account of others. A year ago, therefore, the third item, instead of being the largest of the three, was the smallest. Of the increase of \$1,749,000,000 in all classes of loans during the year, \$1,476,000,000, or more than 84 per cent of the total gain, is in loans for account of others.

Bootleg Loans Grow Fastest

LOANS for account of out-of-town banks have increased only \$328,000,000, while loans for account of the New York banks themselves have actually declined by \$73,000,000.

Bootleg loans now constitute 47 per cent of the total, as against 30 per cent a year ago; loans for account of out-of-town banks, 33 per cent, as against 40 per cent; and loans for own account, 19 per cent, as against 30 per cent.

These figures, of course, do not measure the total sum loaned by corporations, since not all such loans are made through the banks represented in these reports. The monthly report of the New York Stock Exchange on members' borrowings shows consistently higher totals than the report of the banks. At the end of January, member firms of the New York Stock Exchange were carrying net loans of \$6,735,164,242.

If this total is assumed to be distributed in the same proportions as are those above, it indicates that more than three billion dollars is owed to nonbanking lenders by members of the New York Stock Exchange alone.

The inclusion of similar transactions with other security dealers throughout the country would bring the aggregate to a considerably higher figure.

It should be clearly understood that, although loans for account of others are reported by the banks, such advances are not to be considered as bank loans.

From the economic point of view, the situation is exactly the same as if the corporations with surplus funds were to go directly into the money market and lend to brokers in their own name. The banks are employed merely as agents, because their facilities for clearing checks, checking and holding collateral, and carrying on the other financial functions involved in lending operations make it con-

venient to employ them in this manner. The banks, therefore, have no more control over the making and withdrawing of such loans than they have over the commercial transactions that result in the notes and drafts sent to them for collection.

A Different Significance

IT should also be noted that the expansion of brokers' borrowings reflects other things than a mere increase in speculative activity. Brokers and securities dealers also borrow to carry newly issued stocks and bonds until they can be distributed to investors.

Once they are so distributed, these new securities permanently broaden the base of the financial pyramid, so that a given amount of borrowings at present has a very different significance from what it would have had a few years ago.

For three years the proportional growth of brokers' loans has been roughly equivalent to the proportional increase in the market value of listed stocks, this latter increase being due partly to rising prices and partly to the listing of new issues. In January, new issues amounting to \$1,800,000,000 were listed on the New York Stock Exchange and the curb market, the increase in brokers' borrowings during the same period reaching only 13 per cent of this total.

The present situation in the call market has arisen partly as a result of the change in methods of corporation finance in recent years. Under the favorable conditions that have existed in security markets, many companies have issued stocks and bonds to finance their recurring short-term capital requirements, which were formerly met through borrowing at the banks.

It has naturally been found that not all of the funds raised by this method or through accumulated profits can be profitably employed all the time in ordinary business transactions. Hence, the companies have cast about for the most profitable means of investing the surplus. For several years these excess funds have formed an important element in the security markets by stimulating the demand and raising the prices for stocks and bonds.

But during the past year, with stock prices mounting to very high levels and money rates, particularly in the call market, advancing, there has been an increasing disposition to substitute call loans for security holdings as a safer, more liquid, and possibly more profitable form of investment.

Surpluses Are Now Cash

HOWEVER, the existence of these huge surplus funds in the hands of business enterprises is not entirely due to large issues of new securities. As in every period of business prosperity, the earnings

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of corporations have been relatively large; and not all of these earnings have been distributed to shareholders in the form of dividends. "Plowing back earnings into the business" has long been a recognized policy in years of prosperity. But, whereas these surpluses were formerly invested in larger plant facilities and increasing inventories, the conservative business policies of recent years have restrained such expansion and forced the corporations to seek other investment outlets.

Traceable to Savings

THIS more or less conjectural analysis of the probable source of surplus corporate funds deals with the form rather than the substance of the essential conditions underlying the present situation. That the corporations have issued securities to finance recurring short-term requirements and loaned a portion of the surplus funds in the call money market, while the banks have been forced to employ increasing proportions of their own money in securities—all this is ultimately traceable to the large volume of savings that always appears in prosperous times, combined with a measure of credit inflation arising from large gold reserves and sustained easy money.

Nevertheless, the usurpation by business enterprises of financial prerogatives is a fact of profound importance in its bearing on the credit outlook. The objections raised by the banks cannot fairly be said to originate entirely in the selfish view that their rightful preserves have been encroached upon by others—a view that is implied in the expression "bootleg loans."

The questions at issue are far more fundamental than whether this group or that is to enjoy the exercise of a profitable financial function.

Abnormal Money Market

THE case against corporation loans was well set forth in the *Monthly Review* of the Federal Reserve Bank of New York for February 1. The movements of funds at the end of 1928 were cited as an illustration of the weaknesses inherent in the present situation. Although the seasonal demand for currency was about normal, an extraordinarily large amount of money was withdrawn from the market by corporations that wished to show a large amount of cash, or that did not wish to show all loans in their annual statements.

Such withdrawals amounted to about \$400,000,000; and these, together with similar withdrawals of approximately \$70,000,000 by out-of-town banks, forced the New York banks to take over nearly \$600,000,000 in call loans to prevent a violent upheaval in the money market. This action naturally resulted in an abrupt increase in deposits and forced the banks to borrow more than \$180,000,000 from the Federal Reserve Bank to maintain their reserves.

These developments are regarded as evidence that bootleg loans are subject to sudden withdrawal by lenders who feel no

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responsibility toward the money market such as is acknowledged by the banks. Surplus funds are carried by business enterprises primarily for other uses and will be available in the call loan market only as long as this means of investment is more profitable than others. Their abrupt retirement will result in one of two things. Either the banks will take over the loans at a time when they themselves may be under considerable pressure for funds, in which case the corporation loans become a charge against the country's banking reserves; or speculators and investors will find their source of credit suddenly cut off and will be forced to liquidate their holdings, with possible disastrous consequences.

Working in a Strange Field

IN addition to these specific objections, it is pointed out that in a general way the activities of corporations in the call loan market represent an extension of their operations into a field entirely foreign to their previous experience and their primary interests.

In recognition of this aspect of the question, a number of the leading industrial organizations, such as the United States Steel Corporation, the American Telephone and Telegraph Company, General Motors Corporation, and numerous others, despite their strong cash position, have consistently refrained from entering the money markets as lenders.

In defense of the practice, it is held that there is no reason why corporations need be expected to withdraw their funds so abruptly as has been feared.

Gradually, as call loans become less profitable or as other avenues of investment become more so, the corporation funds will be retired and a normal financial situation will be restored.

Late last Summer there was a prevalent fear that nonbanking lenders would withdraw their funds in large volume to finance the seasonal trade revival, and that the result might be a severe money stringency, but no such development occurred.

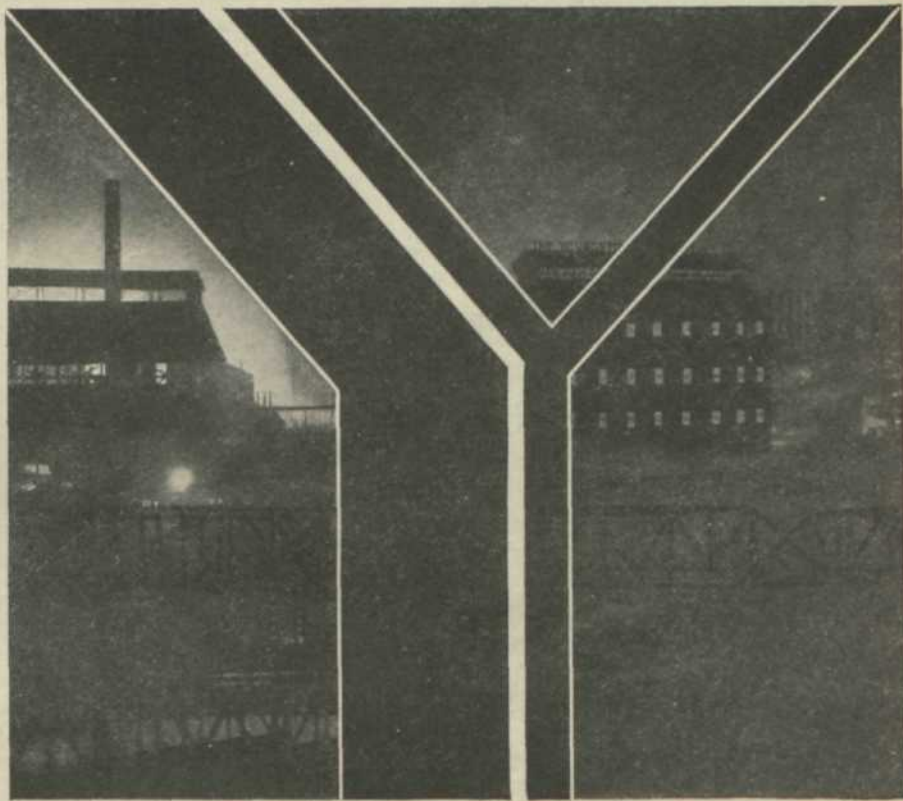
Another point brought forward in defense of corporation loans is that the companies have a right to do what they please with their own money.

This argument, however, may be dismissed. Although obviously true in a legal sense, it has no bearing on the demands of the situation from an economic point of view.

It might even be admitted that corporations with surplus cash could not reasonably be expected to content themselves with the low rates of interest paid on bank balances when they can earn 8, 10, and 12 per cent on call money with excellent security. This might be admitted without abandoning the contention that the existence of bootleg loans constitutes a grave weakness in the credit situation and may react harmfully on the general business situation to the disadvantage of every one.

A consideration of somewhat more relevance is that the great corporations have

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a very real stake in the stability of the money market. While it is true that they do not feel the same sense of obligation in this direction that is recognized by the banks, yet they depend on the money market for their capital requirements and on the stock market for a measurement of the current value of their own securities.

The general business structure can rest firmly only on a sound credit base. It is not unreasonable to suppose that the large corporations would pay some attention to these facts in determining their financial policies.

On the other hand, it cannot be denied that the increase in corporation loans on call has, in a measure, carried the situation beyond banking control. For more than a year the Federal Reserve authorities have implicitly maintained the position that the flow of credit into the security markets should be curtailed—a position that found positive expression in the recent circular letter sent by the Federal Reserve Board to the regional banks and the confirmation of the Reserve Board's action a few days later by the Federal Advisory Council.

Keeping the Banks in Line

IN this position the Reserve Banks have asked for the support of member banks, seeking to restrict their loans on security collateral.

The large banks in the financial centers have worked in close harmony with the Reserve institutions, while in other districts it has been found possible to exert sufficient pressure for the prevention of excessive rediscounting.

It is still felt that there must be further reduction of security loans of all classes. While the Reserve Banks are expected generally to rediscount eligible paper when it is offered to them, such action may be taken "with due regard for the claims and demands of other member banks."

Nonbanking institutions are under no such restrictions, and have occupied the field that has been left vacant by the refusal of the banks to finance further speculative expansion.

To attempt to predict how this development will culminate would be a bold undertaking indeed. The situation is without precedent in financial history and is due to causes which themselves are only partly understood. Sooner or later the corporations may withdraw from the money market; but when this will occur, how much further expansion will have taken place in the meantime, what form the retirement will take, and what its effects will be, are questions shrouded in doubt.

One thing, however, may be stated with confidence. The proposals to remedy this situation by drastic methods, such as a legal prohibition of the lending of money on call by nonbanking institutions, strike only at the symptoms, not at the cause, of the disease, if disease it is. Provided that such a prohibition could be enforced, the surplus funds would remain; and they

would exert their influence on the credit situation in one way or another.

One possible result of such a step would be that the funds might be driven into an unduly rapid expansion of industrial equipment—a condition that would probably bring about more unfortunate consequences than even the most pessimistic observers anticipate coming from the present situation.

Meddling May Bring Disaster

IF the purchasing power could be returned to individual investors, either through dividends or through the retirement of the underlying securities, with the assurance that the bulk of it would be used for the purchase of goods for consumption, the results might then be most beneficial.

But such an offhand solution is manifestly out of the question; and, since this is so, the least hazardous course is probably to allow the situation to work itself out naturally without inviting disaster through clumsy attempts at remedying it through artificial manipulation or regulation of it.

It is to be hoped that the corrective efforts of the Federal Reserve Board and American bankers and business men will obviate speculative disaster.

Congress has turned its attention to the situation and in an effort to safeguard the interests of business is struggling with some of the perplexing questions this new problem of prosperity presents.

We are no longer cast in the role of Lazarus gathering the crumbs which fell from the rich man's table but as Dives we are sitting at the table of plenty perplexed at the problem of service which it presents.

The activities of the New York Stock Exchange are largely the reflection of a high degree of national prosperity and accumulated wealth. How to protect the use of credit involved in its transactions as well as the buyer of its securities through any scheme of governmental regulation apparently presents insuperable difficulties.

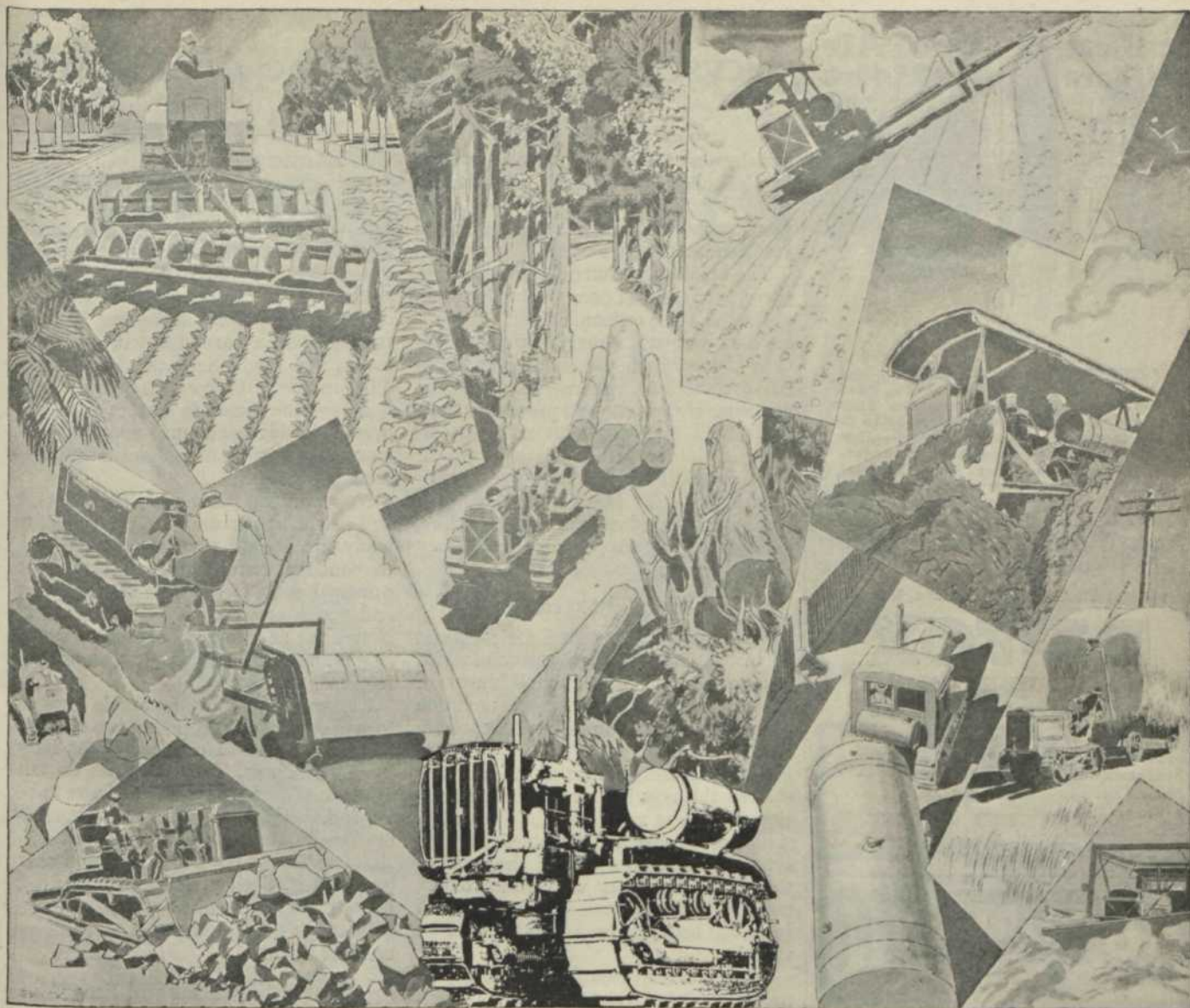
The Infringing Uses of Credit

THE mere attempt to define speculation and investment or the speculative and legitimate uses of money seems impossible so inevitably do the uses of credit infringe upon each other.

The buyer of securities on margins claims the same privilege and the same status that the instalment buyer of real estate or automobiles or any other commodity enjoys.

It is possible that he is not absorbing as much of the country's credit as some of these other activities.

Yet the desirability of wise restraint and control in the use of credit is obvious. The Federal Reserve Board and the banks together with the New York Stock Exchange can go far toward the solution of the problem and, working with the enlightened business sentiment of the country, should be able to forestall legislative interference.



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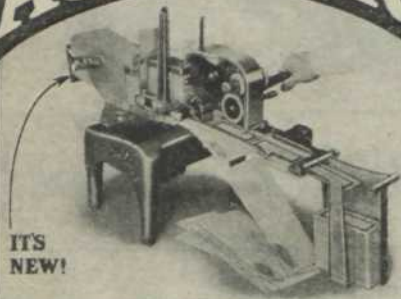
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Skyscraper—Gold Mine or Tomb?

(Continued from page 26)

sional promoters the values to be created by the building of desirable and conveniently located modern structures, their place in the economic scheme has not as yet been accurately defined.

The building of railroads preceded the skyscraper era and became standardized, at least as to its economics, while the city builders were still struggling in the practices of the Middle Ages so far as materials or methods were concerned. True, the financing of the railroads proceeded from centralized sources—necessarily so—although history records many a small, hand-to-mouth financial venture in railroad finance. We forget that those pioneers were called visionary speculators, just as were the proponents of the early skyscrapers a generation later.

Bridges and Skyscrapers

THE rolling of the steel for rails and bridges provided the inspiration which was quick to turn the accomplishments of the bridge builder to an ingenious solution of our problem of intensive metropolitan growth.

But if the engineering of the railroads showed the way in skyscraper construction, there was no parallel in the matter of finance. The prejudice against construction investment has dogged the steps of the building industry with disheartening tenacity. Yet, from time immemorial, land value has been the very foundation of all wealth.

Against this unscientific and stultifying prejudice, intensive metropolitan construction has struggled upward, asserting itself in spite of these handicaps, and while "rails" have become the object of almost limitless tabulations and analyses as to their earnings and possibilities, the statisticians—until recently—have left intensive metropolitan development almost wholly to the speculator and the individual real estate promoter.

Of course, there is some foundation for the suspicion in which the skyscraper development had been held, arising in part from some few notable disasters in the earlier days, but more particularly, from lack of understanding of what constitutes safe and sane practice in the construction of these large structures.

Happily, there is less and less cause for public misgiving. Naturally, the builder's part in reducing the hazards has come most directly within my observation. It is evident enough, I think, that even when the wisdom of a project can be fairly assured, there is still the chance that it may be jeopardized by incompetent or unsound advice.

After the architect has drawn the plans in sketch form, the builder becomes a consultant of first importance, and the probable cost of the building is ascertained and set out in budget form. Once the operation is under budget control with the builder

to advise, the owner may safely proceed with his enterprise.

Our American genius for building and its true application to the creation of intensive values have led us to overdo height in some cities, particularly where streets are narrow and crooked and light and air are excluded by the shouldering together of row on row of tall structures. To correct the evil, we are everywhere passing zoning and height limitation laws. These differ in different cities, but their purpose is always the same: to correct abuses of overshadowing height and prevent the demoralizing mixture of residential and business properties.

New York has fairly satisfactory zoning and height limitation laws, yet there are many who criticize them bitterly. Indeed, the condemnation of the skyscraper as the principal cause of our evils of congestion and traffic crowding is as vociferous in New York as in other large cities where height and area limitations are much less rigorous.

Chicago, with more favorable laws as to area coverage, is proposing two or three buildings higher than either of the New York structures. These rivalries do not arise out of daring or the mere desire to be the tallest, although that was the consideration in the case of the Woolworth Building and a few record holders that preceded it. Such prestige buildings can only be built by wealthy advertisers who gain publicity by a superlative achievement in height.

Learned by Trial and Error

In this new science of gigantic building, we are applying the scientific economics that our earlier efforts have developed. When skyscrapers were first projected, they were, of course, experimental and much had to be learned. Even more had to be developed, and our American genius for overcoming obstacles has brought us to our present high standards of convenience and of construction and method. Our results were obtained by the trial and error method, but now we seem to know. And out of that method, among other things, we are perceiving the great economic foundation of this new source of wealth, this great solution for the challenge of city congestion.

The answer seems to be the great metropolis within a city block, the one mighty structure containing from 15,000 to even 50,000 souls—a city in itself, self-contained, probably the most profoundly efficient and adequate conception of gigantic size ever created by man.

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Owen D. Young, Chairman of the Board of the General Electric Co.

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Owen D. Young's Business Sermon

IT was a bright crisp day in the fall of 1905. David Shaver was driving his one-horse lumber wagon down the only street in Van Hornesville.

Suddenly around a bend in the road a large motor car showed up. The horse went over the stone wall and down into a hollow. The wagon and David followed. The driver of the motor car stopped and asked:

"Can I do anything for you?"

"No, I think you have done all you can do for me this morning," replied David.

As I said, that was in 1905.

Motor cars were just beginning to occupy our roads. At the same time big business was beginning to show up around the bend. There is a striking parallel between the two. At that time motor cars were not very highly developed nor very reliable. Their drivers were apt to be none too considerate of the wagons on the road.

As time went on the old horse-cab drivers became motor-car drivers and drove with something of the abandon with which they had driven horses, not fully realizing that a 40-horsepower motor was a different thing from a horse.

In 1905 my old friend, David, did not like motor cars. He had had his experience with them. He would have been glad to have shut them off the road altogether. But some years later I had the pleasure of taking him in an automobile on what he

WHEN the editor of Nation's Business read the first reports of the sermon preached by Owen D. Young in the pulpit of the Park Avenue Baptist Church in New York he said to himself and his associates:

"There's a sermon that needs a bigger audience than any one church can hold. It's a sermon to which every one of our 300,000 readers should listen. It's the gospel of business, big business and little business, that the Chamber of Commerce of the United States and Nation's Business have preached for a dozen years. Let's print it. Some of our 300,000 have not seen it. It will do them good. Some have read only a part of it. It will do them good to read it again and in full"

described as the best ride of his life. He came to think better of motor cars, and to understand, as we all have, the great contribution they have made to the health, wealth and happiness of all the people.

It was much the same with big business. Sometimes its drivers were reckless. Sometimes they were highly careful and conscientious. But the old horses of business were not yet adjusted to the new devices. Dire prophecies were indulged in as to what would happen if large business units were to be permitted.

The business machines have become better adjusted through a quarter of a century. The drivers have become more skilled. In a sense, they are now people trained for the job, like motor-car drivers. And while we still have left with us some of the reckless and irresponsible who re-

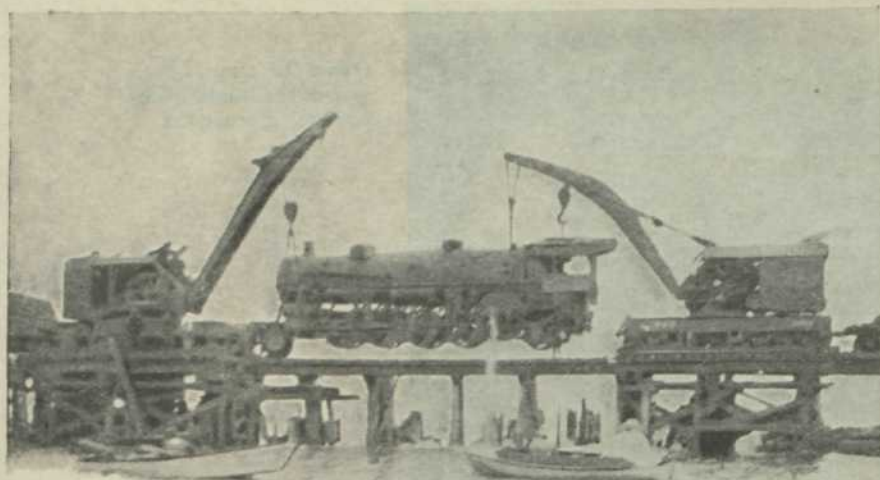
main a menace to the road, we move business nowadays as we move our motor cars with amazing skill and safety.

Big business has not justified the fears of some people. Exploiters no longer own the big concerns. Bankers no longer own them. Their shares, like motor cars, are spread from one end of the country to the other, in every city and village of the United States. Broadly speaking, the vast organizations of business are in skilled hands and the road is reasonably safe.

When we think of what is right or wrong in business we must take account of the

conditions under which such impressions are formed. Everything was wrong with business, and especially big business, in the common opinion in 1905. Such prejudices as exist against it today are much more largely due to the recollections of the old days than to real complaints of this day. Just as the horse driver of today is less considerate on the highways than the motor-car drivers are, so it is likely true that the smaller units of business, not the larger ones, are less considerate.

We have had to go through this process of readjustment however. We have had to change our rules and practices in business and our laws governing it in the last quarter of a century. We have had to extend governmental control over business by way of regulation in the interest of all. We have had to broaden the road and



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strengthen the bridges, but our new concerns for the most part are superior to the old.

We have had to see farther ahead on the road and so we put strong headlights on our cars, and research laboratories and long-time budgets and surveys on our businesses.

I don't maintain that all is right with business. It is far from that. But I am here to say that in the last quarter of a century we have made great progress toward the right. Our difficulty does not come so much from bad men or bad principles as it does from the difficulty of applying right principles to increasingly complicated situations.

Let us take an example or two. What is right or wrong with the discount rate of the Federal Reserve Bank of New York, or with the bank rate, as they say in London when it is fixed by the Bank of England? Do you say there is no question of right or wrong in the moral sense of the bank rate—that it is a financial matter?

Yet I believe that there is no act of business which bristles more with moral problems than the fixing of a bank rate. I do not mean problems in the sense that the men who fix that rate are likely to act in bad faith. I mean in the sense that men may fail to apply correctly the sound moral principles to a difficult and complicated business problem.

Sometime later, when the thing has been done, and when looking backward, it has been found that a mistake was made, then it seems so clear what should have been done that men without experience, or with little experience, or men who are seeking to create trouble, say that something is wrong with business—look how that bank rate was fixed!

Now the making of a bank rate affects the volume of currency and credit. It increases or diminishes the value of money. As the result of it a debtor pays more and a creditor receives less—or the reverse is true. Every wage earner is affected in the purchasing power of his earnings. Every aged person or invalid dependent upon the income of a trust fund may receive less or more. It is a high moral responsibility to fix a bank rate. It lies close to life and the basic moral problems of every man and woman.

Applying the Golden Rule

I WOULD like to emphasize that when people discuss what is right in business they should keep in mind that the difficulty does not lie in determining what is right in principle. It is, rather, in the application of the principle to the vast, complex problems of our modern business.

If, with reference to business, the question is asked: What is right in principle? I answer that the Golden Rule supplies all that a man of business needs. Yet if you asked me to apply the Golden Rule to a bank rate I would find it an amazingly difficult thing to do.

What is right in business requires, in highly complicated situations, that the Golden Rule be applied by men of great understanding and knowledge as well as

conscience. They must be technicians in the sense of making the connecting link between the Golden Rule on the one side and the most complicated business transaction on the other.

I purposely omit from this discussion the immoral things which may be done in business by weak and dishonorable men. True it is that there are occasional defalcations. There are here and there plain breaches of trust. There is the usual wreckage of dishonesty appearing now and then in business. Whenever it occurs it is exploited in the headlines of newspapers, not because it is the common thing, but because it is the unusual thing.

Honesty Is Rule

THE percentage of plainly dishonest things in business is very small compared with the vast total of the operations going on. By and large, large business visits very quickly its own penalties on the dishonest man.

I repeat, it is not the crook in modern business that we fear but the honest man who does not know what he is about.

In the past thirty years since I have been fairly intimate with the activities of business, moral standards have greatly advanced. A certain amount of astuteness and sharpness of the earlier days has disappeared. They would not work very well in large business. A storekeeper may short-measure or short-weigh his customer and make a little by it, and he may even induce his clerk to short-weigh or short-measure. But he cannot organize a vast department store on that basis. Either his employees are honest people who would refuse to do crooked things or else he would soon have such an organization of crooks as would beat each other and ruin him.

Big business does not lend itself readily to dishonesty and crookedness. Great organizations of human beings cannot be built on that theory. You cannot teach an organization to steal from your customer and then object very much if your cashier takes money out of the till. Honesty and uprightness must exist in great business organizations on the simple grounds of expediency if on no other. And so as our business has grown larger I think we can say that moral standards have improved.

It is safe today to buy under great trade marks almost anything you wish without troubling to examine the package. Quality, quantity and price must be right. It may be only the result of intelligence, for any other practice would spell ruin, but simple honesty here, certainly, has its own rewards.

There is another development of the last generations which I think has tended toward improvement in our standards, and a result of the development of big business.

Who are the persons responsible for the right or wrong conduct of a business? Two generations ago you would have unhesitatingly said, "The owners, of course." Is that answer true today?

Who are the owners of these big businesses like the American Telephone and

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"The individual business man needs today a clearer understanding of all business and that is what NATION'S BUSINESS gives him."

John Hays Hammond

In NATION'S BUSINESS you find far-reaching changes in industry discussed when, or even before, they begin to move. You get news of infant enterprises, radical developments, alterations in methods and objectives, before they become common knowledge. And you get this material from leading economists, heads of business groups, and other celebrated contributors, seldom found in other publications.

NATION'S BUSINESS



Telegraph Company, the United States Steel Corporation and the General Electric Company, or the railroads?

The law says the stockholders are the owners—and there are thousands and frequently hundreds of thousands of them in a single corporation.

But suppose you go to the schoolteacher in Vermont who has a large share of her life savings invested in five shares of the General Electric Company, and you say to her, "Madam, you are an owner of the General Electric Company and I hold you responsible for the moral conduct of its business."

What would her answer be? That she knew nothing about the business. The company had always paid her dividends. Her investment had been profitable. She was assured that it was safe. She never thought of attending a stockholders' meeting.

Our business organizations have grown to be so large that we have completely divorced ownership from responsibility. Two generations ago ownership meant responsibility. Nowadays ownership has little or no relation to the conduct of a great corporation. As a result of this we have developed managers of business, chairmen and presidents and vast executive organizations. They alone know the business. They must be held responsible not only for its material welfare but for its moral conduct.

Early Code Demanded Results

WHEN this separation of ownership and management on a large scale first took place, some 25 or 30 years ago, the managers of business rather considered themselves as the paid attorneys of the stockholders, put there to get results. The code then was that the manager must get results, honestly if he could, dishonestly if he must—but get results!

He must not be too scrupulous about it, because others stood ready to do what he flinched from. So for a time we had rather a demoralized condition in big business. The vast power of the great organization was frequently used, through coercion, to get results.

Great shippers forced railroads into granting secret rebates. Unscrupulous concerns of great power overcame and wiped out small competitors. Through the exercise of power in one unjustifiable form or another many excesses were committed.

Then came the new idea in management. It is not yet fully grown but it is showing signs of rapid development and the greatest promise. I must say I think that the new idea sprang largely from the fact that lawyers were advanced to high managerial positions. This was initially done because our laws became so complex that for a time it was difficult for anyone except a lawyer to run a big business and keep within the law.

While that was the reason for the lawyer coming in, the result was different from that anticipated. If there is one thing that a lawyer is taught, it is knowledge of trusteeship and the sacredness of that position. Very soon we saw rising a notion

that managers were no longer attorneys for stockholders; they were becoming trustees of an institution. Now that is a great change.

If you will pardon me for being personal, it makes a great difference in my attitude toward my job as an executive officer of the General Electric Company whether I am a trustee of an institution or an attorney for the investor. If I am a trustee for the institution, who are the beneficiaries of the trust? To whom do I owe my obligation?

Whom the Trustee Serves

MY conception of it is this: That there are three groups of people who have an interest in that institution. One is the group of fifty-odd thousand people who have put their capital in the General Electric Company, namely its stockholders. Another is a group of well toward 100,000 people who are putting their labor and their lives into the business of the General Electric Company. The third group is composed of the customers and the general public.

Now as a trustee for these three groups, what would I most desire in the interest of all?

First, that the credit of the institution should be so good that it could get its capital at the lowest rate even under the worst conditions. In other words, one would desire an option on capital supply. Failing in this, there would be no plant nor tools for labor. Workers would lose their jobs and customers would lose their product.

In order to obtain an option on capital, it would be necessary to bulwark the institution adequately with reserves and thereby guarantee the safety of the capital and the continuity of its return. It would be necessary to have good relations with labor and a good market for the product, because that too is a guaranty of a continuous income to the investor.

After one has the capital supply insured, he would wish a call on the labor supply. He would want his workers to feel that the institution was a good place to work and that the wages were as good or better than anywhere else; that men's rights to their jobs were respected, and that continuity of employment was at least better than in other plants.

Given these things, the institution would have an option on its labor supply and might be expected to be free from labor difficulties.

Third, one would want the product to be so good and the price for it so reasonable that buyers would prefer it to other products and so take it in slack times as well as good. In other words, one would want an option on the market.

With these three options, one on capital, another on labor, and the third on the market at all times, the trustee could feel that the institution had reached its maximum safety for the three groups of which he was trustee. True it is, in addition the concern must meet its public obligations and perform its public duties—in a word, it must be a good citizen.



The Cascades Yield to a new Conqueror

THE Conqueror is power—electric power—the “white coal” furnished by the snow-fed streams of the mountains themselves.

Working at unprecedented speed, and with clocklike regularity, engineers drove an eight-mile bore straight through the granite heart of the Cascades—the longest tunnel in America. Electric compressor plants furnished the compressed air; electric heating units kept the exhaust of the big shovels from freezing; motorized mucking machines loaded the dump cars, and electric locomotives were used to haul them away.



In less than three years the job was done—and now huge electric locomotives haul the trains of the Great Northern through the new tunnel in fifteen minutes.

Less dramatic perhaps, but no less important, are the myriad applications of electricity which are transforming every aspect of life and work in homes, offices, and factories. Literally, thousands of these applications are General Electric developments; always and everywhere the General Electric monogram is a safe guide to electrical correctness and dependability.

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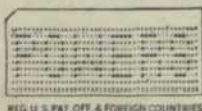
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WHAT I'VE BEEN READING

By WILLIAM FEATHER

FEW of us in the United States appreciate how unique is our business press compared to that of any other country.

Nor do we properly evaluate the advantage we gain from the superiority of our business papers.

A letter from N. D. Lafuerza of Havana, Cuba, reads:

"To my mind, one reason why American business men are so rich in their activities and successful in their enterprises is the wealth of literature on business which has created a business philosophy powerful and most fascinating. Only the anaemic and brainless can remain indifferent to the inspiring and energizing influence of the wise and well-prepared business literature published in the United States.

"It is a fact that the Spanish business man, with few exceptions, lacks impulse and daring because he is deficient in training and weak in enterprise. How different it would be were he to have a more thorough training and a more energetic attitude toward opportunities and possibilities."

THE trade papers and general business publications of America, such as NATION'S BUSINESS, keep alert business men in school by bringing to them the news and best thought of their industry and of industry in general.

It is not a happenstance that the American business man's vision of his job energizes him and makes his work become a grand adventure. An ably edited business press has been an important factor in the development of this desirable condition.

That American business is something more than dollar-chasing, is now acknowledged by George Jean Nathan, former co-editor of *The American Mercury*. Writing in a recent issue, Mr. Nathan observes:

"The Englishman, try as he will, cannot understand or sympathize with the American's immersion of himself in business. The circumstance that the American works at his trade many hours a day more than he himself does, the Briton has trouble in reasoning out. Why the American doesn't play more, as he does, he can't comprehend. The fact, of course, is that the American in general regards business

as sport; building up his business and making money are to him largely what games are to the Englishman. Aside from a relatively few golf players, the American business man in the aggregate has the same kind of fun working himself into riches that the Englishman has working himself into a snappy cricket player."

Sometime ago this note was received from Earnest Elmo Calkins, member of

ness, and you have made an admirable beginning."

A COUPLE of years ago Ernest J. P. Benn, noted English publisher, wrote "The Confessions of a Capitalist," a most effective and readable exposition of the capitalist system. His new book, "The Return to Laissez Faire," is a continuation of the argument.

Benn is the rare combination of writer and business man. He tests the theories of the Socialists, Collectivists and Bureaucrats with the hard facts of his own business experience, and finds that they are full of holes.

Benn is sick of Housing Commissions, Employment Commissions, Coal Commissions, and all the other paternal bodies that have been created in England in the last decade. The Housing Commission has created a shortage of houses, the Employment Commission has increased unemployment, and the Coal Commission has blocked the mining of coal.

MANY people, says Benn, are still under the impression that there are in England more than a million persons who in former, normal, ordinary times were properly employed, but who now, owing to the war, to the state of the world, to the breakdown of Capitalism, or to other causes glibly explained by the politicians, cannot find work.

The impression is wholly false, he asserts. Since the installation of the dole system there has developed what may be called "technical unemployment." Or it might be termed "qualification for benefit."

At summer resorts the custom in England is to employ a large working population for six or seven months of the

year. These people are paid higher than normal wages, in recognition of the fact that they lack employment part of the year. At the end of the season they used to go back to farms, loaf, or find work at other seasonal resorts. Now they apply for doles.

Sailors have always expected to enjoy loafing spells between voyages. Now the

¹ *The Return to Laissez Faire*, Ernest J. P. Benn. D. Appleton & Co., New York, 1929. \$2.

QUOTABLE QUOTES of the Month

MERCHANDISING is the secret of success in distribution today.

ALVIN E. DODD,
Director-General, Wholesale Dry Goods Institute

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HERBERT HOOVER

WE WILL change, through force of economic circumstances, from a nation of protectionists to a nation of low tariff advocates, or free traders.

EDWARD C. FILENE,
Pres., Wm. Filene & Sons, Boston

THE OLD fashioned banker would hold up his hands in holy horror at lending money upon anything so intangible as a marketing scheme, but we are beginning to have a new type of banker who can see the wisdom of such an operation.

WILLARD E. FREELAND,
of Freeland & Warner, Boston
(In the bulletin of the Taylor Society)

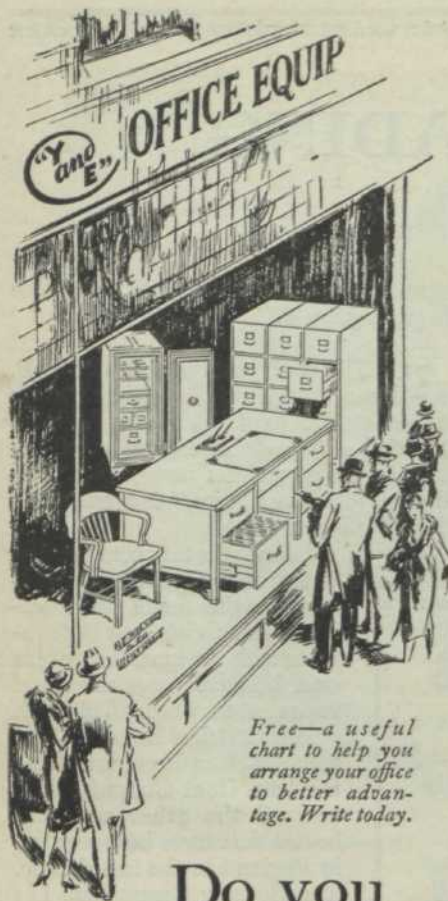
EUROPEAN civilization is based upon personal invention and individual well being. American on group enterprise and social well being.

M. LUCIEN ROMER,
French Editor

the advertising firm of Calkins & Holden, New York, and author of "Business the Civilizer":

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seamen, when discharged at the docks with a month or two's wages in their pockets, go straight to the Labor Exchange to register as unemployed, and thus get their share of the nation's beneficence.

Collusion between employer and employee permits workers in the cotton trade to obtain doles in the slack season. Formerly the mills would work short time when trade was dull. Now it is more profitable and enjoyable to shut down entirely and let the workers be supported by the government.

Benn's conclusion is that "whenever political power is applied to an economic problem, it always produces the opposite to the result desired."

How unnatural is the union of politics and economics is recited in this paragraph:

"England found out how to make wealth—not money, but things—years before America started. Fifty years ago the standard of life here, with all its faults and failings, was higher, much higher, than had ever been known in human experience in any age or in any country. Then we became addicted to politics, and since that time have been throwing away our heritage. From an economic point of view politics are far more destructive than war."

Benn believes that the American philosophy must be adopted by his nation. He says that public opinion in England is directed to teaching people to lean, whereas in the United States the whole force of public opinion is directed to encouraging the people to push.

"That," he concludes, "is the difference between the Individualist and the Collectivist conception of the State, and from our point of view it is a very dangerous difference."

"The Return to Laissez Faire" is a masterly presentation of the facts about national prosperity. Benn shows that we must produce before we can consume. Production is obtained by letting those who know how go ahead. The only way to find those who are qualified to direct production is by the competitive method under which the fit survive. Government interference leads to stagnation.

DID you ever consider a straight-stem briar pipe a thing of beauty?

Where, among beautiful creations, would you put a front-wheel automobile brake, a grain elevator, a traveling crane, a motor car, an airplane?

Le Corbusier, noted French architect, in "Towards a New Architecture,"² sees beauty in all these things. He suggests that architects may improve and vitalize their art by studying modern machines and regarding houses and buildings as machines.

Architecture as now practiced, he maintains, is lifeless. It stupidly follows styles and periods. The styles of Louis XIV, XV, XVI or Gothic are to architecture what a feather is on a woman's head; it is some-

times pretty, though not always, and never anything more.

Engineers, contends Le Corbusier, are in tune with their times. They build our ocean liners, our airplanes, our bridges, and usually our factories. Their creations are beautiful because the pattern follows the function. They are built to serve a definite purpose, not to look like something they are not.

"Our engineers are healthy and virile, active and useful, balanced and happy in their work," he writes. "Our architects are disillusioned and unemployed, boastful and peevish. This is because there will soon be nothing more for them to do. We no longer have the money to erect historical souvenirs. At the same time, we have to wash! Our engineers provide these things and they will be our builders."

Le Corbusier, of course, writes mostly from the point of view of a Frenchman. He praises American skyscrapers and prints a picture of the New York Telephone building on the page opposite the title.

His plea is for better domestic architecture. Cities are growing. Living conditions are changing. Houses are unnecessarily expensive, ugly, inconvenient.

He regards a house as a machine for living in. An armchair is a machine for sitting in. Our modern life has created its own objects, such as the fountain pen, mechanical pencil, typewriter, telephone, office furniture, plate-glass, safety razor, limousine, steamship and airplane. Old styles and models of houses must be scrapped and the problem approached by a fresh mind. Why can't we have such houses?

Le Corbusier answers: "There is one profession and one only, namely architecture, in which progress is not considered necessary, where laziness is enthroned, and in which the reference is always to yesterday. Everywhere else—taking thought for the morrow is almost a fever and brings its inevitable solution—if a man does not move forward he becomes bankrupt. But in architecture no one ever becomes bankrupt. A privileged profession, alas!"

Whereas many decry mass production and standardization, Le Corbusier believes they offer a solution of the housing question. He wants engineers and architects to approach the problem of the dwelling or the apartment in the same spirit that automobile manufacturers have studied the design of motor cars. Once that were done, the house would soon be regarded as a tool. The automobile is a tool for comfortable transportation. The house is a place for comfortable shelter. Concrete houses can be poured in less than a week. Why should a house cost more than a fraction of the present charge?

One reason why this ideal is not realized is that we have not yet created the right state of mind for living in mass-production houses. Most of us are rankly sentimental about our homes. Just as each man writes one poem in his life so each builds one house. It may be a silly waste of money, but he must do it. It is as

² *Towards a New Architecture*, by Le Corbusier. Introduction and translation by Frederick Etchells. Payson & Clarke, Ltd., New York. \$6.



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though we each designed our own automobile. Some day this will be changed.

The manufacturer who loves precision, clean and economical lines, and sheer efficiency will enjoy this book. Frederick Etchells, the translator, has retained the staccato style in which Le Corbusier writes. The book itself is a splendid example of the art of the printer and binder. The type is large, clear, and well led. No decorations. Just plain type and pictures. Wide margins, no crowding, plenty of open space. Printed so beautifully, a book becomes as inviting as a Rolls roadster.

BERNARD FAY, a Frenchman, is the author of another appraisal of the United States.¹ In the first part of the book he rapidly reviews our history, and follows with an illuminating interpretation of the American Masses, American Institutions, and the American Individual. Fay finds many contradictions between our idealism and our practice, but he seems to understand us. I have never read a more intelligent survey of our schools, newspapers, literature, architecture, music, and churches.

In the last two chapters he discusses our European relations—and offers advice, not all of which is pleasant. It seems that hatred of America is smoldering in Europe, and that it can easily be fanned into a blaze. Fay makes the novel suggestion that one cause of this alleged hatred is our extensive touring.

"Throughout Europe," he writes, "Americans spontaneously and unconsciously carry on an annual campaign of propaganda against themselves and easily convince people they are fabulously rich and more or less brutal. Traveling has been advocated for its educational value and its ability to promote good relations between peoples. It would doubtless be more exact to define touring as one of the most deadly engines of international hatred and prejudice. . . . We should like to propose that the League of Nations bar all foreigners from Europe unless they come to work or to stay for at least six months. We should like to do the United States this service, the importance of which would be appreciated in the next century."

AFTER his book "Why We Behave Like Human Beings" was published, Dr. Dorsey received more than 12,000 letters in which questions were asked. In "How's and Why's of Human Behavior" he attempts to answer them.

His insistence that heredity is an important factor in human behavior irritated me since he offered no concrete examples to uphold his contention. Such paragraphs as the following pop into every chapter:

"No child is born unhappy any more than it is born clever, criminal, wise, po-

¹ The American Experiment, by Bernard Fay. Harcourt, Brace & Co. \$2.75.

² How's and Why's of Human Behavior, by George A. Dorsey. Harper & Brothers, Publishers. \$3.

lite, refined or ladylike. Any child can be so trained that its life will inevitably be overcast and at best it can leave its drab level only for temporary joys, or it can be trained so that even a dungeon cannot shut out the sun from its life or crush out its happiness."

FEW parents can accept such assertions. They rear three children under what they assume is the same environment, and the results are utterly different. One child takes after its father, another after its mother, and a third reacts like a grandparent.

Dr. Dorsey argues that the factors in each child's upbringing are different. The father's economic situation changes, so that the third child may be raised by a governess, whereas the first was tended by its mother. By suggesting such variants he dodges the issue.

The doctor says that paradise is in the South Sea Islands. You may not think the islanders are civilized, he says, but have you any clear-cut definition of civilization?

"I have not," he continues. "We talk about progress—its march, its wheels; but where do we go from here? Which way is our civilization headed? You may know. I do not."

FORTUNATELY, few of us are so perplexed as Dr. Dorsey. We may not like everything in our present state, but we are confident that what we enjoy in this part of the world is infinitely better than anything offered in the South Sea Islands.

For a couple of hundred years people from all parts of the world have been flocking to the United States. Why have they come, and why have they stayed? Because they achieved more happiness and satisfaction here than elsewhere.

Plumbing, steam heat, movies, radio, automobiles and airplanes are not the final index of all that is good in a civilization, but it does not become an intelligent man, who should know better, to scoff.

I have traveled in many parts of the world and I have had my eyes peeled for something better than I had at home. Occasionally I have been attracted by a new food, a woman's eyes, or a quaint custom, but the final appraisal has always been distinctly favorable to my native land.

Dr. Dorsey would say, "That's because you've been conditioned." But let me ask him why 15 million immigrants have stayed here, instead of returning to their native land, and why are millions clamoring to enter right now?

Searching inquiry is desirable, but when a middle-aged man scorns his home town and sighs for the South Sea Islands, he becomes suspect.

WHEN he dies, J. B. S. Haldane, noted scientist at the University of Cambridge, has promised his body, including his head, to a friend. It will be used for dissection.

Professor Haldane in "Possible Worlds and Other Papers" also reveals that a

*Possible Worlds, by J. B. S. Haldane. Harper & Brothers, Publishers. \$2.50.



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That is just another example of the undeveloped resources of the Orient. It illustrates strikingly the value of study and investigation across the Pacific, not only in search of other resources, but also for contacting personally the tremendous fast-developing markets.

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biochemist performs many experiments on himself.

In a study of tetany he dosed himself with ammonium chloride. His blood decreased 10 per cent of its volume, his weight dropped seven pounds in three days, and his liver went out of commission.

Once he succeeded in throwing himself into a spasm of the hands and face which continued for an hour and a half.

SUCH experiments are called "Being One's Own Rabbit." Although dangerous, Professor Haldane says the risk is calculated in advance.

The biochemist stakes his life on the correctness of his biochemical theory, just as the airplane engineer is prepared to fall a thousand feet if his aerodynamics are incorrect.

Professor Haldane's interests embrace the whole range of science. His fancy leads him to many interesting speculations, not the least of which is the chance that mankind may sink back to barbarism.

The chances for going backward are as good as for going forward, perhaps better. There is no hope for civilization, frail as it is, save in science.

The ancestors of oysters and barnacles had heads, warns the professor. Snakes have lost their limbs and ostriches and penguins their power of flight. Man may just as easily lose his intelligence.

On the other hand—

In the rather improbable event of man taking his own evolution in hand, there are no bounds to progress. In a million years we shall have realized all that we can now imagine, and more. Illness will be unknown, and we may live for thousands of years.

Every man will be able to think like Newton, write like Racine, paint like Fra Angelico, and compose like Bach. Eventually we shall visit other planets, and then we shall colonize them.

Our success in achieving our possible destiny depends on our attitude toward scientific research.

"Unless he can control his own evolution as he is learning to control that of his domestic plants and animals, man and all his works will go down into oblivion and darkness," says Professor Haldane in the final sentence.

"MY PHILOSOPHY of Industry," by Henry Ford, contains little that Ford has not said in earlier interviews. As Ford grows older one waits for a cynical note, but so far it has failed to appear.

He is truly modern. Today is good, tomorrow will be better. The young people are all right. Let us judge them by their future and not by our past. Most faultfinders are lazy. That's why they find fault. They lack the energy to analyze and readjust.

"My Philosophy of Industry," by Henry Ford. An interview by Fay Leone Faurote. Coward-McCann, Inc., New York. \$1.50.

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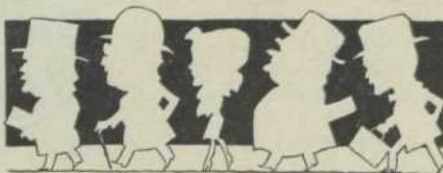
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HUMAN NATURE IN BUSINESS



By FRED C. KELLY

NOT LONG ago I learned that the directors of a large company in which I held a few shares of stock were having a disagreement on important questions of policy. Surely, I thought, such inharmony would be sure to slow down the efficiency of the management and the stock would be likely to drop in value. I therefore sold my modest holdings. But only three or four days later the stock began to rise in price and before long it sold nearly forty points higher than I had received for mine.

What happened was that each of two factions in the board of directors sought control, in order to carry out their own ideas in the management, and began to bid for stock in the open market.

Hereafter, when I hear that a house is divided against itself, I won't know whether to buy into it or sell out.

MORE than half a century ago a man with a basket over his arm used to stop each day at the big wholesale hardware store of Hibbard, Spencer, Bartlett & Co., in Chicago, and buy an assortment of small household utensils—as many as he could carry away in his basket. He then set out to offer these articles for sale from house to house.

From time to time he learned that one device was more in demand than another among householders and he changed his purchases accordingly.

He aimed to buy each morning only what he could sell that day, thus having a complete turnover of capital each 24 hours. Naturally, it was no fun lugging that basket filled with hardware about the streets of Chicago and the man used to dream of having a store from which he could fill his orders instead of having to walk to each customer. He did actually launch a business and a limited number of customers began to write to him when they needed anything in his line.

His business grew until today it is an enterprise of considerable proportions. You have heard of it and have probably sent orders to it. If you had invested only a few thousand dollars in the business about the time Mr. Coolidge was elected you might now be fairly wealthy. The man in Chicago who sold hardware

from the basket over his arm, was Montgomery Ward.

NOT so long ago railway cars were the model for comfort in travel. If a person had an easy trip in an automobile, he might say:

"I couldn't have been any more comfortable if I had gone by train."

Today motorbus competition, because of the greater emphasis on comfort, is a serious menace to the railroads. Passenger traffic earnings of railroads in 1928 reached the lowest level in 20 years. What are the railroads going to do about it? They are beginning efforts right now to make the inside of their cars more like the inside of an automobile bus—big luxurious seats will soon be the keynote of the more enterprising railroads. This will probably be the most revolutionary change in railway cars in 30 or 40 years.

A RECENT questionnaire sent to employers of women, in regard to the most desirable qualities of women workers, brought the following facts: Of 34 replies, 17 mentioned obedience; 5, accuracy; 4, politeness; 4, attention to detail; 1 each, loyalty, eagerness, diligence. In 24 returns regarding the undesirable qualities of women workers, 7 mentioned the lack of research spirit; 2, lack of responsibility; 2, lack of smooth social relations with fellow workers; 1, volubility, with decreased efficiency; 1, excitability.

MANAGERS of the dining rooms at the Lake Placid Club save \$10,000 a year by giving each guest a little paper napkin ring with a space to write his name on it. Napkins are changed once a day instead of at each meal, with consequent saving in wear and tear on linen and laundry costs. Whenever a guest suggests that one should have a clean napkin at each meal, he is asked:

"Do you want to have \$10,000 less of quality in the food itself?"

SALES managers in various lines are right now trying to figure out how much consumption of different kinds of goods would be increased by more leisure.

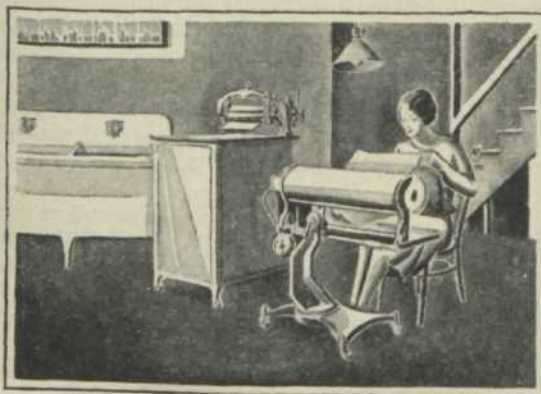
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Contributing to the wide and popular acceptance of products made from sheet steel is public experience with automobiles, with sheet metal work on the home where the natural forces of decay challenge the strength and durability of all metal. Roofings, gutters and down spouts, window and door casements, ventilators and cornices of sheet steel—all have impressed upon the public mind the dependability and economy of steel.

It was in anticipation of the time when people would expect more from

steel than ever before that the development of COP-R-LOY, the Copper Alloyed Steel, was undertaken twenty years ago by the Wheeling Steel Corporation. Now, even in a window casing or a steel box car there is desired today a quality that will increase the value of investment—and COP-R-LOY, by reason of twenty years successful performance, qualifies!

COP-R-LOY in a wide range of Sheets is basic material for products and purposes without number. Processed in modern steel furnaces, it is refined to a new high point of efficiency, combining the essentials to practical workmanship, easy forming, braking, bending, welding and greater expectancy of life for the finished product.

COP-R-LOY is steel made better than ever and through its use manufacturers may confidently expect to lower their costs, speed up operations, while investing their products with a new and higher standard of quality—a higher standard of durability and performance.

When you buy a metal product for the home or contract for sheet metal work, the stamp of COP-R-LOY is your guarantee of longer and more satisfactory service at low cost.

The story of COP-R-LOY written in non-technical style tells of the many ways in which COP-R-LOY can serve you to advantage. Send your name and address for a copy of this book.

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a week were to work only four days a week, what would he be most likely to start buying more of? Naturally, he would buy more amusement. But what kind? Would he take more outdoor exercise, have a better appetite and use more food and clothing, or just what would he do?

THE tendency is more and more for great wealth to be found in unexpected places. Some time ago, at the annual meeting of the Mack Trucks Company, a stockholder turned up owning 83,000 shares of stock and yet he was a man of whom none of the other stockholders had ever heard.

BUSINESS organizations have a mass of scientific data to show just how much more money merchants could make if they would put forth enough efforts for better health in a community. The idea is that better health means fewer doctor bills and other expenses of sickness, therefore more money is available for buying luxuries in the marts.

AN INCREASE in the postal rates on souvenir postal cards in France, which greatly cut down the number of postcards mailed, brought to light the astounding fact that some 45,000 persons in France were employed in the post card industry.

IN Antwerp, Belgium, a few weeks ago, I asked a taxicab driver to show me whatever he considered the most interesting thing in town.

"Do you take any interest in factories?" he inquired. "Maybe you'd like to see the factory of the Bell Telephone Company. But if you prefer I can show you our great cathedral."

"If it's all the same to you," I said, "I'd much rather see a manufacturing plant than a cathedral."

I ended up by spending nearly half a day at the plant of the Bell Telephone Manufacturing Company. To my amazement this factory, one of the largest in Europe, has been in operation, always under American management, since 1882. It employs more than 12,000 people and makes 45,000 different items.

Practically every part for all phones used by the International Telephone Company in Europe, South America and Cuba, is made here. While the plant is owned and controlled by Americans and the chief officer of the company in Belgium is an American, all subordinate offices are held by Belgians and prominent Belgians sit on the board of directors. Thus there has never been any clash of interests between Belgians and Americans—no jealousy over the fact that one of the biggest factories in Europe does not belong to Europeans.

WHEN the Germans invaded Belgium during the World War, they helped themselves to an immense electric turbine in the Bell plant and toted it off to Po-

land. After the war, one of the German privates who had helped install the outfit in Poland came to the director of the Bell plant and inquired if the company would be interested in knowing where the big turbine, worth a small fortune, could be found.

Naturally they were much interested and when the ponderous piece of machinery had been restored to the plant in Antwerp, they asked the German what he thought would be a suitable reward for his information.

"Oh," he said, "would \$50 be too much?"

AS an illustration of how young an industry is the automobile business, I discovered the other day that the oldest executive in an automobile company in Detroit, aside from Mr. Ford, is my old friend Roy D. Chapin, chairman of the board of the Hudson Motor Car Company.

And Roy is a mere boy. In fact it doesn't seem any time at all since I used to see him roaming about the campus in our college days. The industry and the men in it are young.

FROM Thayer Cumings, of Batten, Barton, Durstine & Osborn, comes this letter to show why women walk where they do on Fifth avenue:

In your book entitled "Human Nature—How Business Makes It Pay," you say that you have never found anybody who was able to explain why there usually are more women than men on the west side of Fifth avenue, between 42nd and 46th streets.

May I offer a suggestion? Between 42nd and 43rd streets are the following stores: Jay-Cobbs, Gotham Hosiery, Emily (dresses), Edman (dresses), Huyler's, Walk-Over Shoes, and Sulka's. On the east side of the block are Schulte's Cigar Store, Childs, Canadian National Railways, Manufacturers Trust, and Postal Life Insurance.

A quick glance at this shows why women prefer walking on the west side of that block.

On the west side of the next block are: Hanan Shoes, Spaulding's, Meyrowitz, and the Guaranty Trust. On the east side of the Avenue is the Harriman bank and the Lefcourt Building (in the making). However, there was a church there, as you may remember; and, all things considered, the west side of this block has always had a more feminine appeal.

The next block, between 44th and 45th streets, the west side of the Avenue is quite distinctly feminine—Marcus, the jeweler; Maison de Blanc, Mirror, and a bank—vs. (on the east side) United Cigar Store, Southern Pacific Railroad, Modern Mode Footwear (a new store) and a bank.

Between 45th and 46th streets, the west side of the Avenue wins in a walk—for the women. There we have Jaekel, Sheridan (dresses), L.P. Hollander's, Emily (dresses), and Schrafft's vs. (on the east side of the Avenue) the American Express Company, Milwaukee Railroad, John Ward Shoes, Frederic's, and Cammeyer's (these last two very new shops).

A survey of the foregoing will show readily enough why the west side of the Avenue draws more attention than the east side for women shoppers.

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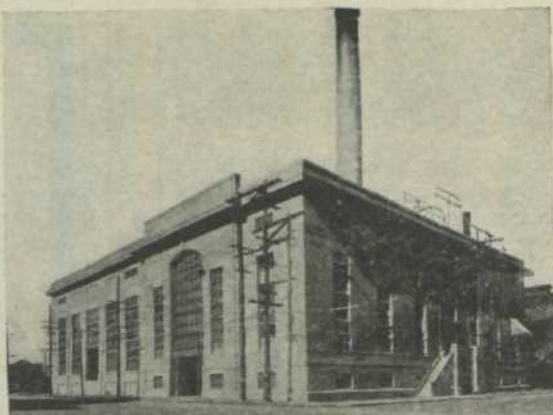
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AMERICAN CONSULATE
Seville, Spain

One of the first consulate buildings erected by the U. S. A. in a foreign country. We built it—along with two buildings for the International Iberian-American Exposition—from plans of William Templeton Johnson of San Diego.

GOVERNMENT OF BRAZIL

Irrigation Development
Paratyba, Brazil

Construction work included five large dams, power plants, shops, villages, railroad lines, etc.



A BANK building in Buenos Aires; the American Embassy in Rio de Janeiro; a power plant in Honolulu; the American Consulate in Seville, Spain; a gas plant in the Argentine; an immense irrigation project in northern Brazil; railway shops in Calgary—these construction jobs represent the broad scope of our experience in foreign work and the kind of service we are ready to perform.

And here at home just a few of our construction operations have been the New North Station and the Hotel Statler in Boston, power plants for the Public Service Corporation of N. J., the Connecticut Light & Power Co., and scores of others; new manufacturing plants for the American Rolling Mill Company, Lehigh Portland Cement Company, American Typefounders Company, Procter & Gamble Company, American Brass Company, Gulf States Steel Company, and many others; railway shops for the Pennsylvania, Southern, B & O, Burlington, Canadian Pacific, etc.

Success in operations either abroad or at home depends upon knowledge of labor and material markets, familiarity with all local conditions governing construction work, resourcefulness in finding ways and means of expediting work.

Our experience all over the world qualifies us in an unusual way to serve interests contemplating any kind of foreign or domestic construction project. We build all parts of the work and do all engineering or designing, too, if required.

Inquiries are invited from American firms which may be contemplating manufacturing plants or other work abroad—or at home—or from foreign interests with construction work of any kind to do. May we explain our unusual methods which assure speedy and economical operation?

UNITED ENGINEERS & CONSTRUCTORS, INC.

Dwight P. Robinson, Pres.

combining

The U. G. I. Contracting Co.
Public Service Production Co.
Dwight P. Robinson & Co., Inc.
Day & Zimmermann
Engineering & Construction Co.

*Specialists in the
design and construction
of*

INDUSTRIAL PLANTS
STEEL MILLS
POWER DEVELOPMENTS
RAILROAD WORK
GAS PLANTS
APARTMENTS
HOTELS
OFFICE BUILDINGS

UNITED ENGINEERS & CONSTRUCTORS INCORPORATED

DWIGHT P. ROBINSON, PRESIDENT

PHILADELPHIA

NEWARK

CHICAGO

NEW YORK
ATLANTA

LOS ANGELES

BUENOS AIRES

RIO DE JANEIRO

The world's combined intelligence will, in the course of time, be able to abolish our poverty



I Believe in Working with Others

By EDWARD A. FILENE

President, Wm. Filene's Sons Company

THE giving of large sums to charity by men sufficiently experienced to know how to use that money to prevent the need of charity is often a supine acquiescence in the assumption that the poor are always going to be with us and that nothing can be done about it.

I refuse to admit this—I think that the combined intelligence of the world will in the course of time, know how largely to abolish the curse of poverty.

For my part, early in my business career, I sensed the fact which is now quite generally accepted—namely, that business can prosper to the utmost only if the masses of the people are prosperous. It was apparent 30 years ago that the masses were anything but prosperous. Having little buying power they were not good customers of business.

It was thought that the obvious thing to do—the thing that always had been done—was to relieve poverty by charity. But that was repair work, a makeshift which could have no lasting, beneficial results.

It seemed to me that I could accomplish more with my surplus money, my work and my experience by searching out the underlying causes of poverty and trying to eliminate them. In that way I would not only be benefiting the masses of the people but, by making them more prosperous, I would help make all business more prosperous.

Is it not clear then how my work along preventive, economic lines—my “outside work”—was closely tied in with my prin-

cipal everyday work of being a shopkeeper? The successful business man is usually under constant pressure to give money, time, advice and effort to work that is outside his business. If he confines his contribution to money he avoids the demands upon his time, but then he can seldom be sure that his contribution will be effective. If he gives his personal attention to the outside work, he is often suspected of neglecting his proper business.

Outside Work Important

BUT there is much worth-while work of a public nature he can turn to, which, if properly organized and well done, will react favorably upon his business. Much of the outside work which I have carried through has turned out to be more important to my regular business than some of the efforts I have put in on that business directly and from the inside.

It is like sailing a boat. If the skipper pays so much attention to his sails and to what is going on in the boat that he does not see the approaching squall, he may have his mast and sails blown away or even lose the boat. Had he paid less attention to the boat and more to outside conditions the disaster could have been avoided.

It is my belief that business men can best serve the cause of social progress through activities in their own field—by advancing their own self-interest. That may sound equivalent to saying “selfish interest,” but there is a distinction.

Fortunately, the organization of the

modern business system is rapidly becoming such that few commercial enterprises can be permanently successful unless the masses of citizens are prosperous. Mass production and mass distribution have made it necessary for business men to interest themselves in all manner of things outside their factories and shops. Modern business methods have changed our thinking on many questions. Business now finds it profitable to pay high wages, to sell cheaply, to favor shorter hours of work.

It is clear, for example, that if workers were still laboring 12 to 16 hours a day at low wages they would have neither money to buy nor the time to use the millions of motor cars and radios and other things that are being produced.

The new scientific methods of mass production and mass distribution are setting men free—giving them leisure and buying power to live a fuller life.

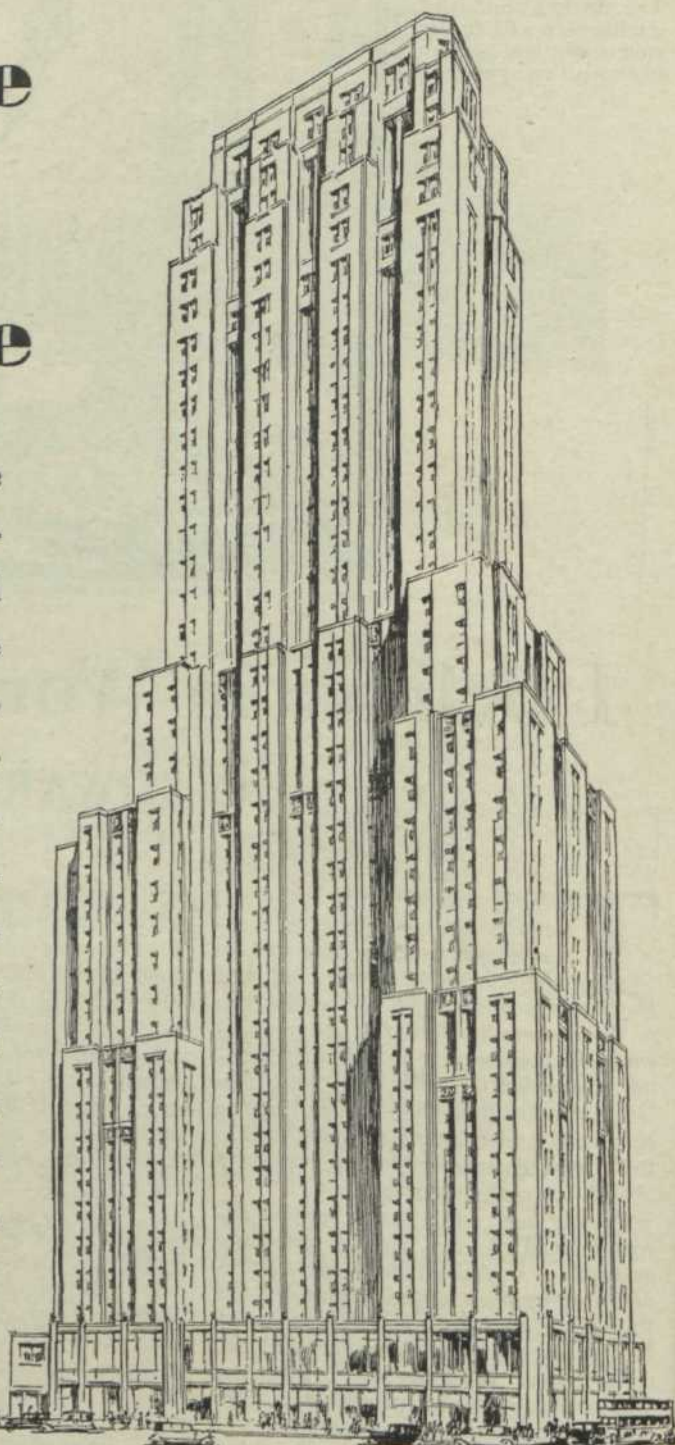
The fundamental basis of freedom is the margin that men have in their income over their outgo. No man is really free if he does not have more than enough with which to purchase the necessities of life for his wife, his children and himself. The necessities of life will be more easily obtained under a system which requires business to sell cheaper and cheaper, and at the same time maintain the high-wage level of mass production. Gradually the so-called luxuries will become more and more available for fewer and fewer hours of work and thus men will become more and more free.

The modern business system not only

Live near your office Work near your home

FOR those who live on the North Shore and motor to work, the Palmolive Building, on the North rim of the congested district, will, yearly, save weeks of time now wasted in morning and evening Loop jams ■ Those who live in Streeterville or the Lincoln Park District will be able to live nearer their office—walk each morning to their work ■ Work, too, in a nationally known building, surrounded by other tenants of the highest character, and enjoy all the latest features of a structure modern as tomorrow's newspaper ■ Time-saving, forward thinking business men should write or wire the agents now

OCCUPANCY APRIL FIRST



PALMOLIVE BUILDING

919 NORTH MICHIGAN AVENUE AT WALTON PLACE

WHERE MICHIGAN AVENUE BECOMES LAKE SHORE DRIVE

ROSS & BROWNE

Renting and Managing Agents

80 East Jackson Boulevard, Chicago

Telephone Wabash 1052

When writing to ROSS & BROWNE please mention Nation's Business

promises but already is delivering this freedom. Let us see exactly how this is accomplished, step by step.

First of all, scientific mass methods are conquering the general field of production, as they have conquered the automobile industry. No one, no matter how efficiently he organized his factory, could compete with Chevrolet or Ford cars if he made fewer than a million cars a year. If he tried to make 50,000 or 100,000 cars he could not produce one as good as a Chevrolet or Ford for less than \$1,000. As with automobiles so with nearly everything we use, except possibly the "luxury goods" which are not more than 10 or 15 per cent of our total production.

The second point is that mass production cannot live unless the masses can buy the product. There is nothing so foolish as a man planning to produce a million cars or two million pairs of shoes if he is going to charge \$25,000 for each automobile or \$50 for each pair of shoes. He has to sell at a price the masses can pay, and that brings us to the third point.

Mass production, fortunately, can produce consumers as well as products through paying high wages and selling at low prices. There is no other way to create the mass buying power necessary for mass production. Now it happens that where each worker is producing hundreds of articles or parts a day, the difference between high wages and low wages is practically insignificant when spread over the great volume of production. High wages are possible only if there is high production—which can come only through scientific mass methods.

Furthermore, the high wages possible under mass production are again increased by the fact that the producer gets his greatest total profit from the smallest practical profit per unit. Only by selling cheaply can he find enough consumers to buy his great output.

"Incredible Economies"

THIS means, obviously, that the small business man, the inefficient business man, the unintelligent and untrained business man will not be able, ordinarily, to match prices and service with the big factories, the big stores and the chains of stores that adopt the new scientific methods of big-volume production and distribution. And this scientific mass principle, widely applied, will result in almost incredible economies and efficiencies. These will bring lower prices to the consumer, higher wages to the producer and greater profits to the owner.

My activities, outside of business, are concentrated to a considerable degree, therefore, on efforts to further the adoption of scientific mass production and mass distribution because I feel that that is the most effective way to contribute to general prosperity. And I am not wholly idealistic in this, for the success

of our stores depends on the prosperity of the people of New England, and they in turn are prosperous only if the rest of the country is prosperous and able to buy the products of New England manufacturers.

There are other questions that directly concern the progress of mass production and mass distribution. All of them enlist my interest, and, when possible, my active support. Some of them may seem only remotely connected with the interests of a Boston shopkeeper, but all have some effect upon our sales. While it may not be possible to measure the force of each individual movement, I know they are important in the aggregate.

Let me cite a few examples.

Some years ago it became apparent that the efficiency of our employees in Boston was adversely affected by conditions outside of the store. They often came into the store late, nerves frayed or clothing wet, due to the inadequate street railway service. That was bad, not only for them but for the prosperity of our business. So I associated myself with other Boston citizens to organize the Public Franchise League, which was influential in bettering the transportation service.

Later it became apparent that the people of Boston—employees as well as employers—would be better served if the existing commercial organizations were reorganized and consolidated. So I gave time and energy to forming the Boston

of people so that I might learn their points of view, their needs and their ways of thinking. In doing so I found much good where I had least reason to expect it. I became convinced that if all people would mix with others as I had, much of the racial, political and religious strife and friction which was, and still is, so enormously wasteful, would be eliminated.

Cooperation Made Easy

I HIT upon the idea of a City Club to which bankers, policemen, merchants, teachers, workmen, immigrants—a true cross-section of the community—would be eligible. Everyone was to be acquainted with everyone else and was encouraged to join any group in the lounge or restaurant and to take part in any discussion.

It pleased me to see the idea prove successful and copied in several other cities. In so far as the Boston City Club reduced class, racial and religious prejudices and made it easier for diverse elements of the city to work together for the common good, it justified the work I had put into it, and had an ultimately favorable effect upon our business.

Later it became apparent that the existing national organizations of business men were not organized in a way to obtain the best results. One of the chief weaknesses was that the organizations were not sufficiently representative of the rank and file of American business men. As a result, when a national organization went before Congress to urge or to discourage pending legislation, it could not show convincingly that it was truly presenting to Congress the real feeling of the majority of business men. There were numerous other weaknesses which had reduced the effectiveness of national business bodies.

So with others, men of public spirit, yet active in their own businesses, I spent upward of three years working out a tentative plan of organization of a national body which later developed into the Chamber of Commerce of the United States.

I grant that it is not easy to see a direct connection between the work I shared in the organization of the National Chamber and the profits made by Wm. Filene's Sons Company.

Yet I believe that the success of our stores is to some extent due to that work. The National Chamber has brought about legislation favorable to business. It has furthered waste elimination. It has spread knowledge of scientific methods of production and distribution.

These latter activities have certainly helped make possible the high wage scales which are becoming the rule in America, and they have stimulated producers and distributors to adopt scientific methods that are reducing costs and prices, thus

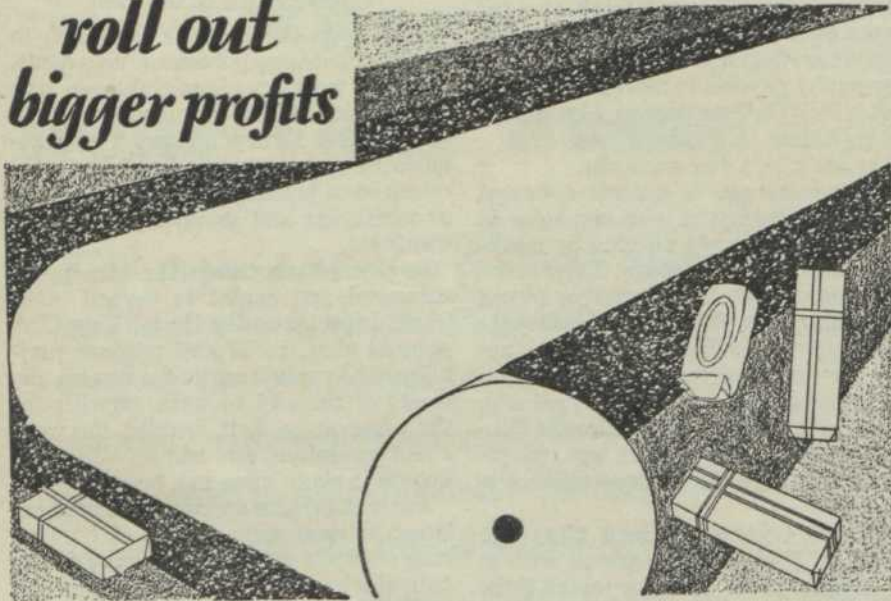


Under the old conditions workers would have neither money nor leisure for automobiles and radio

Chamber of Commerce, a project that has proved to be well worth while.

In business I had observed the great waste which results from the lack of understanding between people of different racial, religious, social and occupational statuses. I had always been inclined to seek out and mix with all kinds

Regulated Humidity makes Glassine Paper Mill roll out bigger profits



Park Spray Humidification Systems designed for

Testing Material Labs.
Artificial Leather Plants
Rubber Goods Mfgs.
Homes and Auditoriums
Cabinet Makers
Photo-Engraving Plants
Pharmaceutical Products
Explosive Manufacturers
Rayon Manufacturers
Chicken Hatcheries
Paper Goods Mfgs.
Leather and Rubber Cement
Electrical Appliances
Ventilating—Conveying
Rattan Weaving
Chicory
Hatter's Fur
Bakeries
Piano Factories
Flour Mills
Tobacco Products
Celluloid Manufacturers
Printing and Lithography

YOU know the small glassine paper wrappers on candy bars, etc. Imagine a wide roll of this speeding through the processing machine—and what happens when a tiny tear sweeps with lightning speed through miles more or less before the machine can be stopped. What a wallop this little tear gave to the profits. This happened nearly every dry day. The paper became brittle.

Then came **Park Spray** engineers and said "Here's regulated humidity—controlled at the right degree for the best working conditions."

So many different types of manufacturing are benefiting from regulated humidity—either moist or dry, but always the same—that it is an eminent factor worth immediate investigation.

Send for portfolio of illustrations and installation facts.

Park Spray

Humidification Systems

Parks-Cramer Company

975 Main Street, Fitchburg, Massachusetts

When writing to PARKS-CRAMER COMPANY please mention Nation's Business

increasing the buying power of the masses. Increased buying power has certainly been reflected in the mounting volume of sales and earnings of our stores.

Of recent years it has become apparent that the prosperity of the United States depends to a large degree upon the prosperity of other countries. Unless other nations are prosperous they cannot buy from us, and we shall therefore not be able to export the surplus goods which scientific mass production is turning out. Unless we can export those surpluses we shall experience super competition at home, which will have a seriously adverse effect upon our own prosperity.

Being convinced of this, I worked for the formation of the International Chamber of Commerce. There again the effort was repaid. So far as its work has been effective in bettering international conditions it has increased prosperity both here and abroad—a result that cannot help but affect our business.

My study of international matters convinced me, as it must every thinking man, that of all the wastes which cut into the buying power of the consumer none is so great as war. Therefore, I have worked ardently for peace, not solely from humanitarian, but also for business reasons.

There are many other projects for the bettering of economic and social conditions which I help to forward—some with contributions, some with active personal effort and advice, and some with both. All of them, however, are preventive rather than remedial, and all of my activities are chosen to help me in my chief work—that of helping to run a successful store.

To carry on these outside activities I maintain a staff of helpers housed in offices separate from my store office. The work of these offices is organized along business lines so that it may be effective and make the least possible demands upon my time.

Organizes Outside Work, Too

IT HAS struck me as strange that people often do not give the business man credit for applying to his outside work the same elementary business sense that they assume he uses in his income-producing business.

When a business man starts additional stores or factories to take care of his expanding business, it is assumed that each new branch will be organized as well as the original business, that it will fit in to the general plan and that it will not demand an undue amount of his attention and time.

But these assumptions are not always made when that same business man undertakes a new activity in the public interest. I think this is one of the real reasons why some business men, who do not believe wholeheartedly in the effectiveness of charity, nevertheless often confine their "outside" activities to giving money away. They are afraid that if they give their time, people will as-

sume that they are doing so at the expense of their business. They even fear that such an impression might hurt their business appreciably. Actually it is entirely possible to organize outside work so that the business man's time will not be unduly taken up.

It will be a good thing for the world when larger numbers of business men realize this and turn their experience, advice, executive and administrative ability and practical common sense to the solution of some of the many difficult social and economic problems. These, after all, must be solved if business generally and the masses of the people are to be as prosperous as they could and should be.

In giving their time to such outside work business men will be doing their own businesses a fundamental service—one greater than any they could contribute by giving all their time and attention to details which they might better delegate to assistants.

There is a large field for such activities. Waste is appalling. It takes many forms, but all have the same effect that must concern every business man—the toll on the consumer's dollar and the consequent reduction of the share that is left for legitimate business.

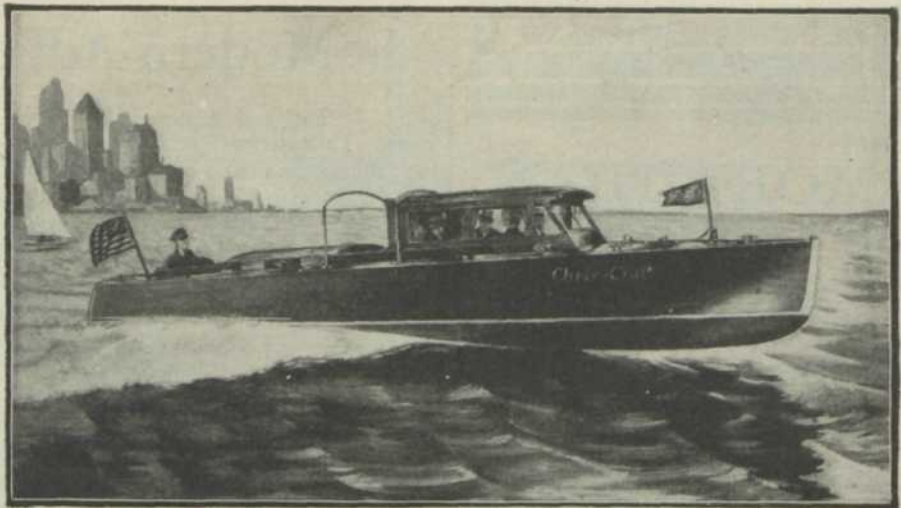
Saves Time and Miles

A RECITAL of the engineering wonders of the Great Northern's eight-mile thrust through the Cascade range probably would help define the changing pattern of railroad operation in the United States. But more to the point of progress is the revision of route and motive power effected at a cost of \$25,000,000. Perhaps the most emphatic appraisal of the improvement's usefulness is in the realization that it has reduced the time required to cross the mountains by one hour in passenger train schedules, and by three hours in freight schedules.

What the improvement signifies in operating savings may be judged from some of its benefits—for examples, the crossing distance is nine miles shorter, the highest point of the crossing 502 feet lower, curvature equivalent to ten complete circles is eliminated, the mileage of maximum 2.2 per cent grades is reduced by eighteen miles, and eight miles of snowsheds are eliminated.

It would not be hard to believe that the construction of the tunnel and the complete electrification of the seventy-five miles of line included in the Cascade crossing "constitute the most important project of refinement of a transcontinental route ever undertaken."

Local as the improvement may seem in its physical features, it provides an informative accent on the underlying unity of the nation in the elimination of regional barriers, and the continual compression of distance in terms of human relationships.



The Waterways Invite You

GO at will, everywhere on water. Relaxed in deep, luxuriously upholstered cushions; back of a wheel that gives you complete, effortless control; flying along with the speed of the wind—that's Chris-Craft travel.

The feel of it will grip you beyond belief—you just don't realize how quickly you can step into a Chris-Craft and be whisked away on this magic carpet of the water. You arrive at your destination rested, yet invigorated, free from travel fatigue, full of the joy of living.

From waterside home to business is just a step—the miles pass so quickly that distance melts away. Distant homes, clubs, come right into your neighborhood with Chris-Craft at your call. Always you appreciate the restfulness and privacy of the enclosed Chris-Craft. Keep your promise to yourself that sometime you will get more joy from the great outdoors. Do it now by choosing your Chris-Craft.

These fine craft handle like a fine motor car. Steering, starting and lighting equipment are the same. They maneuver like a canoe, yet are seaworthy as a fishing boat. All gleaming mahogany, with superb cabinet work. Select your Chris-Craft now to insure on-time delivery. Chris-Craft merchants will be found in principal centers throughout the world. Deferred payments if desired. Completely illustrated catalog, describing eighteen models, is free on request.

CHRIS SMITH & SONS BOAT COMPANY

864 Detroit Road, Algonac, Michigan

New York Branch:

153 West 31st Street at 7th Avenue

Chris-Craft

World's Largest Builders of All-Mahogany Motor Boats

18 MODELS

Runabouts • Sedans • Commuters • Cruisers

22 to 38 feet 30 to 45 Miles an Hour

82 to 225 Horsepower 8 to 26 Passengers

\$2235 to \$15,000



When writing to CHRIS SMITH & SONS BOAT COMPANY please mention Nation's Business

MORE THAN MERE WALLS



Not only do Circle A Partitions form sub-divisional walls that give the solidity and privacy of permanent structures—and the flexibility of a truly sectional and movable partition—but, they do their job with joints that never gape, walls that never sway or weave, doors that cannot sag or swell.

Circle A Partitions provide panelled walls that are fitting for the most luxurious office—and others that are inexpensive enough for less pretentious layouts. Their wide range of woods and design makes them ideal for the diversified needs of industrial plants. (Here are a few of the leaders of industry, whose plants are Circle A partitioned: Westinghouse, Bell Telephone, Ohio Brass, General Electric, Pratt-Whitney, Timken, etc.) Write us for illustrated information.

CIRCLE A PRODUCTS CORPORATION
658 South 25th Street, Newcastle, Indiana

CIRCLE A PARTITIONS

Sectional...Movable

Is Modern Advertising Justified?

(Continued from page 37)

store. This rug was of plain color, except for a broad band of a different color across each end. There was a rug of identical size and quality in another store, the price of which was \$8.50. But this rug had woven into it an attractive oval rose pattern.

Scientific comparison showed that the two rugs were identical in weight, had the same number of threads to the inch, and must have come from the same factory. The one with the rose pattern undoubtedly cost a trifle more to produce.

Who shall say that the rug with the dainty pattern, of which the store in question probably had exclusive sale, was not worth \$3 more than the other one? To many people, the difference was "unessential." This example is a simple one, but it illustrates a fundamental principle—one that applies to clothes, soap, fountain pens, or motor cars.

Gets Volume All Around

NOW we come to advertising's effect on general economic progress. The standard of living in the United States is far above what it is in most other countries. The people earn more, want more, buy more comforts and luxuries, and strive to earn still more, so that they can have even greater comforts and luxuries.

A vicious circle? No, a happy one. And their increasing wants for comforts and luxuries are due in part, at least, to advertising. Advertising makes for a higher standard of living.

Furthermore, advertising helps in the building of new businesses and in thereby creating new means of livelihood. As man power is displaced by machinery in some industries, other industries, like the automobile industry and the radio, spring up, giving employment and greater earning capacity to hundreds of thousands of workers. In other words, advertising by helping to create markets for new goods helps in the economic adjustment that is continually going on, helps take up the slack created by those industries that are releasing workers, and aids in the creation of new wealth-producing and labor-employing industries.

So much for the influences of advertising in creating demand and in making it possible to command higher prices than would be possible without advertising. But the interesting thing is that just as soon as advertising is used for this purpose, its price-reducing influences also come into play.

In other words, when a safety razor is put on the market for \$5 and the public is educated through advertising as to its usefulness, the increasing demand means larger-scale production and lower unit factory costs. Also, sales resistance is broken down so that salesmen of both manufacturer and retailer have to spend less time and effort on each unit of sale.

Lower production and selling costs result in greater profits to the manufacturer, or in lower prices of his commodity. Often both results occur. Competition brings similar articles onto the market, at lower prices, and often forces down the price of the first article. Sometimes the price of the advertised article is reduced, even when not forced by competition.

The manufacturer's greater profit is not only his reward for risks assumed, but also for being a smarter manufacturer and marketer than his competitors. And his profits are generally reinvested to enlarge his own plant, or they find their way into the upbuilding of other industries through purchase of securities.

To object to the part that honest advertising plays in all this, one must object to our whole economic system, which is based on competition and which rewards those who are most able, energetic and farseeing.

Advertising men need not evade the issue when it is claimed that advertising sometimes raises prices. There is ample economic justification. Likewise, there is ample evidence that advertising exerts an important influence on economic progress. The advertising man needs to apologize for neither his craft nor himself, save only when—and if—he puts out ineffective or misleading advertisements.

Electric Towboat Makes Its Bow

RIVER tradition must have been jolted a bit when the Tennessee Coal, Iron & Railroad Co. put its first Diesel-electric towboat in service. Nothing like the lordly steam packets of the era of the *Natchez* and the *Robert E. Lee*, or even the squat stern-wheel drudges that butt a string of barges up and down stream is this new twin-screw type.

The power plant includes two 550-horsepower Diesel engines. Each propeller is driven by a double motor rated at 400 horsepower. The flexibility of the electric drive, the company believes, will be particularly useful in the Warrior River operations because of the river's tortuous course, and the shallow channel with its swift currents. The length of "tow" is limited to seven barges by reason of the sharp bends. Six barges are pushed ahead by the towboat; the other is towed alongside.

If this novelty in marine motive power signifies a more businesslike trend in water-borne commerce, it will not be at the expense of glamor. Rivers have a way of touching their freight with imperishable romance. Nor is it likely that the Tom Sawyers and the Huck Finns of our times will need a Twain to give dimension to their mimicry by sealing it to the forty-foot wheel of the river queen of his day.



Planned Equipment that takes up the slack in office routine

*Expertly designed Art Metal
Steel Furniture insures better
office-keeping*

REMOVE the excuse of makeshift equipment and there is little chance for wasteful slack in office routine.

That is why so many modern businesses have turned to *planned* Art Metal. This furniture is built by engineers who know the needs of modern business. Theirs is an experience of forty years in the field. The knowledge gained by this experi-

ence goes into every unit designed.

Nor have they sacrificed beauty in Art Metal for practical utility. Every Art Metal piece reflects the cabinetmaker's craft. The strong steel is finished with special enamels in natural wood grains or rich olive green. Lines are clean and trim.

And Art Metal means lasting value.

The first cost is moderate. Replacement costs vanish, since steel does not splinter, break, or warp. Art Metal is and remains, through years of service, fire-resisting—dustproof—sanitary—with smoothly working drawers and rigid frames.

Our booklet, "Office Standards," contains valuable data on office layouts. We shall be glad to send you a copy along with any of the catalogs listed below. Please write, mentioning the ones you wish.

1. Desks; 2. Steel Shelving; 3. Horizontal Sectional Files; 4. Plan-files; 5. Fire Safes; 6. Upright Unit Files; 7. Counter Files; 8. Postindex Visible Files. The Art Metal Construction Company, Jamestown, N. Y.

Art Metal

STEEL OFFICE EQUIPMENT, SAFES AND FILES

When writing to THE ART METAL CONSTRUCTION COMPANY please mention Nation's Business



A Guide to INDUSTRIAL OPPORTUNITY

UNUSUAL opportunities await many industries in the Kansas City area... opportunities that can be outlined to any interested executive in *facts and figures*.

Not only does "The Book of Kansas City Facts" give vital information about the general situation for industry in this 10-billion-dollar market, but more detailed information on the possibilities here for any individual business is available.

Market: Here is a market of highly diversified requirements spending hundreds of millions of dollars every year for necessities and luxuries in distant

markets that could much more economically be manufactured in and distributed from the Kansas City area.

Transportation: By rail, highway, air and water, Kansas City is the inland center of transportation, its facilities adequately meeting the needs of every section of the territory. More than 15 million people can be reached at lower freight cost from Kansas City than from any other metropolis.

Labor: Ninety per cent of Kansas City labor is white, American born. It is contented labor, working in the best of surroundings, with a record of only seven strikes since 1900, and none since 1921. It is efficient labor, as proved in the production records of Kansas City manufacturers having plants in other cities.

Raw Materials: An amazingly diversified list of raw materials available in the territory is presented, including steel ingots, billets, sheets and wire, lumber, lead and zinc, grains, livestock and cotton, bauxite and other minerals and farm products.

Fuel: Coal, fuel oil and natural gas are available in plenty at reasonable cost.

These and many other advantages the Kansas City area offers to the manufacturer. "The Book of Kansas City Facts" explains them in detail, and may be had on request. In addition, any interested executive may have a confidentially submitted survey of the market for and production possibilities of any individual industry.



Chamber of Commerce of

KANSAS CITY

Kansas City, Mo.

*Not just a city
but an empire*

Kansas City advertising does not confine itself to corporate limits. Within the territory are raw materials and manufacturing advantages of a highly diversified nature... many within the city itself, many in the smaller cities of this rich area. Kansas City undertakes to tell the story of the entire territory to interested manufacturers, realizing that the city prospers only as its outlying territory prospers.

**Opportunity Here
Awaits These Products**

Men's and Women's Clothing... Aircraft and Accessories... Hosiery... Dairy Machinery... Steam Fitting and Heating Apparatus... Furniture... Porcelain Ware... Perfumery and Cosmetics... Millinery... Wallboard... Insulated Wire and Cable... Moulding of Bakelite... Radio Equipment

Literature will be sent only when this coupon is attached to your business letterhead. If not desirous of revealing identity at present, it is suggested that your banker or lawyer may obtain the book for you.

Industrial Committee, Room 370
Chamber of Commerce, Kansas City, Mo.

Please send me, without obligation, "The Book of Kansas City Facts."

Name _____ Business Title _____
Address _____ Nature of Business _____
City _____ State _____

Who Sells Nails Sells Romance

The fable of a father who found poetry in hardware

By BERTON BRALEY

Illustrations by Iris Johnson

"I'M no tightwad, son; if you want to go to New York I'll stake you until you find yourself. But I'd hoped you'd be a pardner in the store with me."

Charles Hagan, Sr., smiled a little wistfully across his desk at Charles Hagan, Jr., brand-new A. B. from Wardell University.

"But I don't think you understand, Dad. I don't want to be just a seller of hardware. I want to do creative work. I want to deal with ideas, not things. I want to keep in touch with life—pulsing, throbbing Life. I want the stimulation and inspiration of varied human contacts. I'll get those on a newspaper or a magazine. But what inspiration is there in tin pans and nails?"

"I'd thought" said Charles Hagan, Sr., "that we could have a lot of fun together running this store. I've been looking forward to changing the sign out front to Charles Hagan and Son, Hardware.' I wasn't going to do it for a year or so, until you really got into the business, but if it would be any inducement I'll do it now. That's one way," he chuckled "of getting your name in print right now. As to this inspiration business—who is she?"

Charles Hagan, Jr., tried to look innocent.

"What makes you think there's a girl in it?" he asked.

"Well," his father said shrewdly, "ever since you were 14 you've worked in the store during your vacations. You seemed to like handling tin pans and nails pretty well, and you're a natural-born salesman. Just this year

you began to talk about dealing with ideas and Life, with a capital 'L,' instead of with gross material things. I've dealt in hardware 30 years, but I know enough about Life with a capital 'L' to know there's a girl. Who is she?"

"You win" said his son. "She's a class-mate of mine.

Her name is Sybil Wharton, and she's going to New York to study art. She's clever with her pen. Did a lot of stuff for the college papers. Illustrated some of my stories and verse."

"A partnership in the store" said Charles Hagan, Sr., "would support a married man in good style."

"What's money if you're not happy in your work?" demanded the young man. "We want to stand on our own feet, work out our own careers."

"If it's got where you say 'we,'" observed his father, "I think your mother and I can reasonably ask to see the girl. Why don't you invite her down here?"

"Just what I was going to suggest," said Charles, Jr. "In fact I have invited her. She'll be here tomorrow. Mother knows about it already."

"In which case" Charles Hagan, Sr., replied, "this conference is adjourned."

Good Scouts, But—

"I THINK they're dears" Sybil volunteered, as she and Charles, Jr., purred along toward the Country Club in the roadster. "Your mother is perfectly sweet, and your father is the smartest thing. Such a dry sense of humor. I loved the gentle way he kidded me."

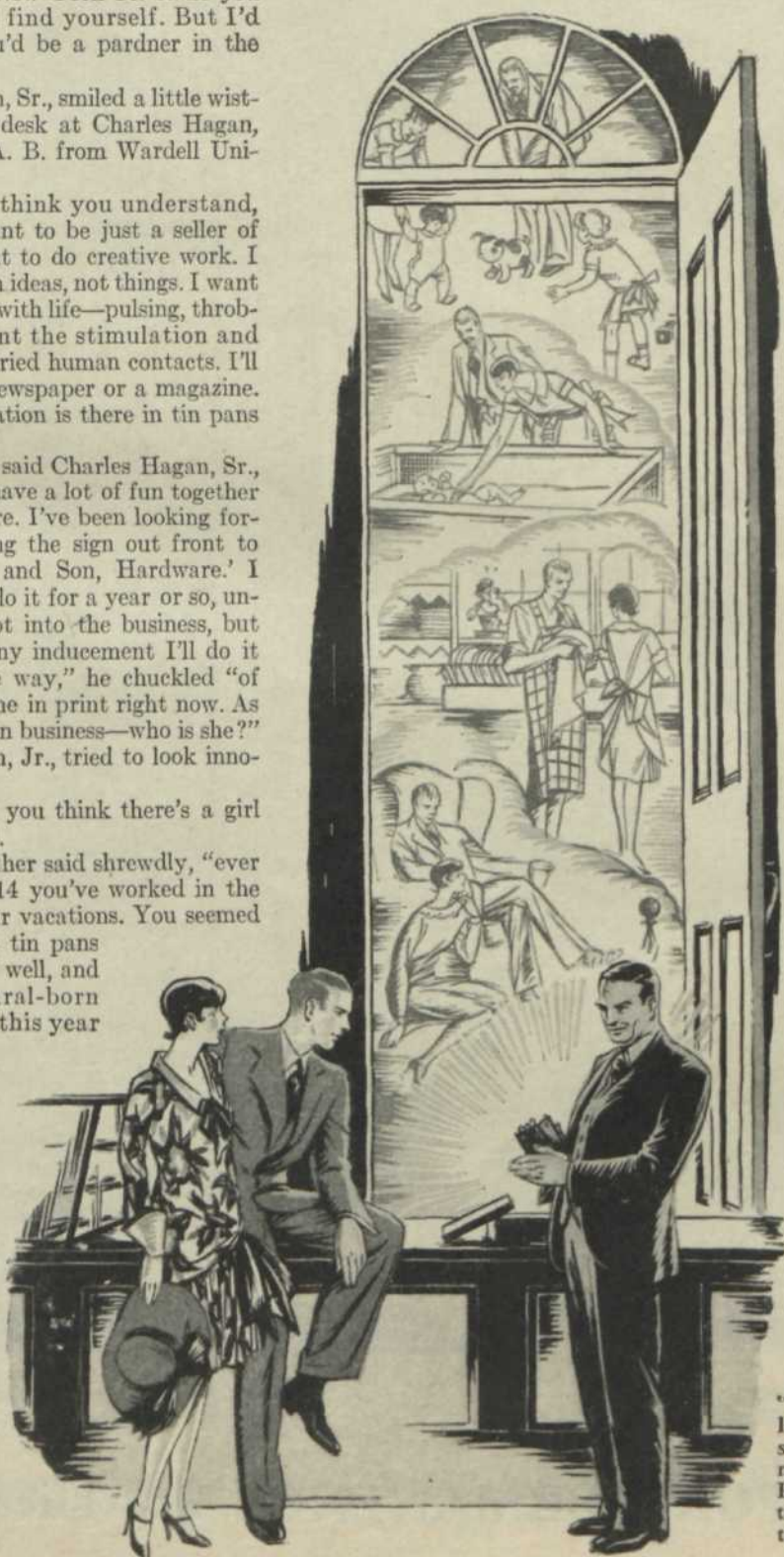
"Mother is a good scout and Dad's not so dusty," agreed Charles, Jr., "but I'm afraid neither of them understand our point of view. I hate to disappoint them, but of course it's out of the question for me to go into the store. It's the big world for us, dear."

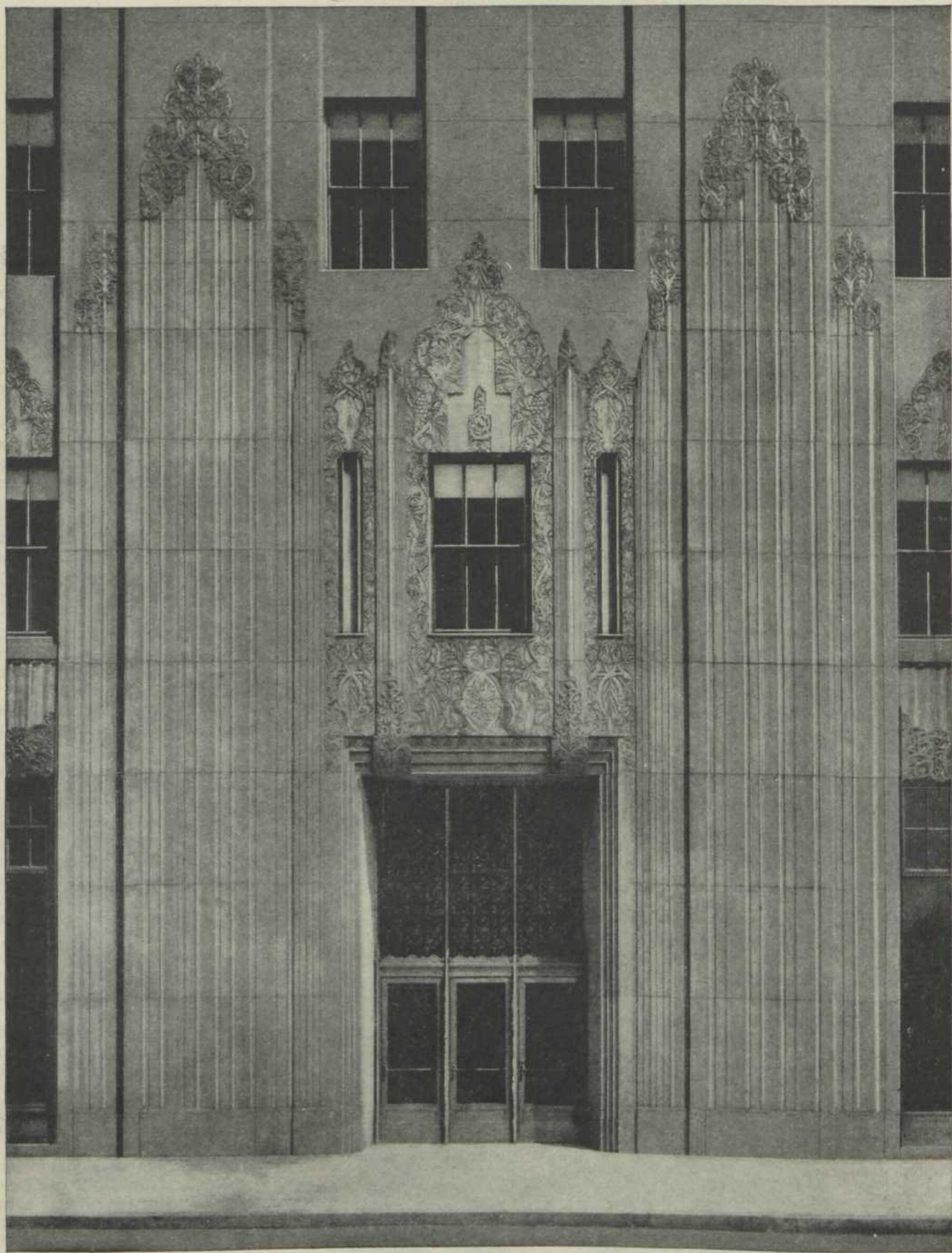
"Oh, absolutely" agreed Sybil; "still, you'll certainly miss that lovely home."

"Not if I'm with you," said Charles, and drove with one hand.

"I'm running out to see a house I've just equipped" said Charles Hagan, Sr., the next morning, "I

"I rub a hinge like Aladdin's lamp and I see that hinge swing wide a door so Romance may enter. Not the Romance of calf kisses but the Romance of married life that makes a house a home"





Main Entrance, New York Telephone
Company Building, Syracuse, New York

The modern cast stone facade permits, at economical cost, new and unique beauties of design.

CONCRETE FOR PERMANENCE and Firesafety

Bas-relief ornamentation even of intricate pattern, is easily possible in cast stone at moderate expense.



Modern Ornamentation

CAST STONE—concrete moulded in sections to definite architectural designs—opens new possibilities of beauty in modern commercial buildings.

The furniture warehouse, the storage garage, the automobile sales and service depot, the wholesale grocery, the small manufactory—once bleak, wholly utilitarian structures—today may be buildings of dignity and character.

Cast stone affords wide latitude to the architect in achieving simple and effective design. It affords, too, a complete control of color. Owner and architect may plan a building of lightest hue, secure in the knowledge that it will resist weather, smoke and soot stain. When backed by reinforced con-

crete construction, cast stone permits buildings to be fire-safe and storm-proof, with economy.

Business executives planning on new buildings and architects specializing in the design of commercial structures are invited to write for complete information. The beauty and distinction economically attained through the new technique in concrete are well worth careful consideration.

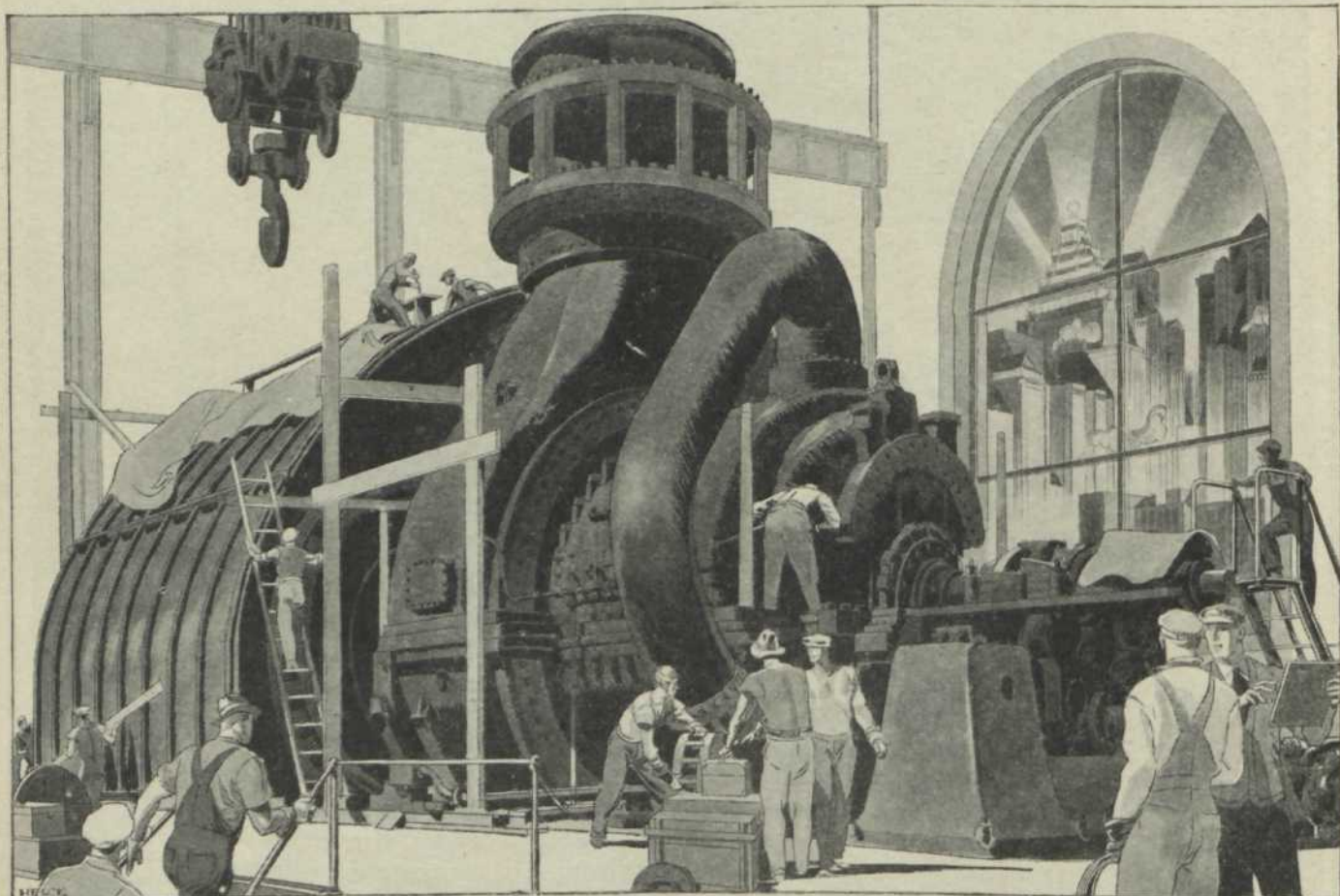


Building of the New York Telephone Co., Syracuse, New York. Vorhees, Gmelin and Walker, New York City, Architects.

PORTLAND CEMENT ASSOCIATION ~ Chicago

SPEEDING THE WORLD'S WORK

DRAWN FOR WESTINGHOUSE BY C. PETER HELCK



THE WORLD'S LARGEST STEAM TURBINE-GENERATOR—BUILT BY WESTINGHOUSE. INSTALLED AT HELL GATE STATION, NEW YORK CITY, FOR THE UNITED ELECTRIC LIGHT & POWER COMPANY—EDISON-UNITED SYSTEM.

Light for a million homes

Imagine a city of a million homes. It is night, and light is streaming from countless windows. Capacity great enough to light all these homes at one time has been built into a single gigantic Westinghouse steam turbine-generator unit.

Yet size alone does not measure the progress which this turbine represents. Far more important than bulk is the standard of efficiency in modern power-producing equipment of which this great machine is an outstanding example.

Ten years ago it was not uncommon for electric light and power companies to develop only one kilowatt-hour of electrical energy for every four pounds of coal burned beneath their boilers. Today, Westinghouse turbines and other power-producing equipment help public utility management to treble its output of energy per pound of coal.

Here you have one reason why the average price of electricity today is lower than before the war, although the prices of most other things are higher.

Contributions of Westinghouse to more effective power production range from the largest turbines to the smallest, not merely for electric light and power companies but also for industry, mines and ships. They include auxiliary equipment for turbine installations, from stokers to every class of generating and distributing equipment. Westinghouse apparatus also includes the lighting units and motors which make electricity serve the everyday needs of home and industry. From the source of electrical power to its ultimate application in serving modern needs Westinghouse responsibility runs the entire course.



The Sign of a
Westinghouse Dealer

Westinghouse

wonder if you'd like to come along. I'm rather proud of it."

"I'd love to," said Sybil. "But I'll bet it isn't any nicer than yours."

"Just a little more modern," said Mr. Hagan. "We'll take the roadster. Son, you meet us at the store at 11. I'll blow you both to a soda or something."

The house was a six-room cottage; white, with green blinds, a broad screened porch, and a tiled roof.

Mr. Hagan helped her out of the car and unlocked the front door. From the entry, a white staircase with a slim cherry balustrade led upstairs. A door on the right opened into the living room.

"It's darling," said Sybil. "No wonder you're proud of it."

"I don't claim much of the credit" explained Mr. Hagan. "It's an old house made over by a clever architect. The furniture came from another store—I don't deal in furniture."

"But I supplied this linoleum. I think it brightens up this hall, don't you? The fellow who designed it must have felt he'd created something. All I did was to suggest this particular design to fit here—and sell it."

"I suppose that isn't exactly creative, but maybe some one else might have chosen worse. It's funny the way I feel about these things I deal in. I guess I'm kind of a romanticist. The way I look at it, if I was selling flowers I'd be selling the kind of romance that looks beautiful, but fades in a day or so. Linoleum, though, goes into a home and if it's good linoleum it's a kind of romance that lasts a long time. Like real married love."

"Why, that's a poetic thought," said Sybil. "I'd never have seen linoleum that way."

Material Aesthetics

"YOU would if you really thought about it," said Mr. Hagan. "Take this paint job, now. Outside and in. Paint is nothing but lead and oil and turpentine and pigment. But choose them right and mix them properly and you've got something that adds beauty and preserves it. I get a real kick out of selling good paint."

"But let's go out in the kitchen. When you come right down to it the kitchen comes pretty near being the heart of a home. It's the power plant that keeps it running."

It was a blue and white kitchen.

"It's small," Mr. Hagan remarked, "but a big kitchen is a woman-killer. This house was built for the housewife who does her own work—as nine-tenths of them do. This kitchen ought to make even an indifferent housekeeper happy at her work. We've figured on saving her steps. Everything is where she can reach it easily. The sink is high so she needn't stoop. There's a spray dishwasher. Even the garbage can is a thing of beauty—and it opens and closes by foot pressure."

"Look at that steel cabinet. I wonder if you have any idea how much work it

saves? Every time I sell one of those things I feel I've lightened drudgery and added sweetness and light to a home."

"I should think you would," exclaimed Sybil. "Oh, what a wonderful stove!"

"Good, isn't it? It's run by clockwork. The housewife can prepare her meat, vegetables, pies or whatever she wants, put them in the oven, set it to start and stop at the proper time, then go out to bridge or the movies—and find dinner cooked when she returns."

He motioned to the breakfast nook.

"And here," he said, "the housewife can get breakfast without leaving her seat. Electric percolator, electric grill and waffle-iron, electric toaster. I like selling these electric do-dads—I always feel I've done something to smooth the pathway of true love."

"It's a strange thing, electricity," continued Mr. Hagan. "It does anything we want it to, but nobody knows what it is. I read a lot about electrons and atoms and things, but as a hard materialist, dealing in nails and frying-pans, it's the work electricity saves that occupies me."

"I don't think you're a hard materialist at all," protested Sybil. "Why, this kitchen is a work of art. I could love working in it."

"It isn't bad," admitted Mr. Hagan.

"The housewife puts dinner in the oven, sets the clock and then goes to the movies"



"I think you'd like the laundry, too. A washing machine that does everything but put the clean clothes away. And the furnace is pretty good. Run by a rheostat. I'll show it to you presently."

He showed it to her. He showed her the vacuum cleaner, too. And the many outlets for lamps, radio or talking machine plugs. He showed her the bright chambers upstairs, one a delightful nursery, and the three baths.

He rambled on about brass pipes, shower baths, towel racks, medicine chests, electric fixtures and plaster while

Sybil marveled at the perfection of appointments in this remodeled country house.

Suddenly Mr. Hagan looked at his watch.

"Quarter to 11," he said. "Time to go back to the store. Hope you haven't been bored. All this detail interests me, and I forget that it might seem dull to others."

"Dull," said Sybil, "it's enchanting!"

"Well, son," said Charles Hagan, Sr., as he and Sybil entered the store, "I hope you haven't found this atmosphere of pails and tin pans, nails and cement too contaminating."

No Poetry in Nails?

"DON'T be silly, Dad," replied Charles, Jr. "I never called it contaminating. All I said was that nails are nails and tin pans are tin pans—and you can't get very poetic about them."

"Just things," said his father. "And Life is more than just things, eh, son?"

"That's how we feel about it, Dad," said Charles, Jr.

"But things are more than just things, too, Charles," said Sybil, unexpectedly. "Why when your father talks about them, they are absolutely romantic. The way he talked about hardware and house fittings this morning was beautiful."

"Beautiful!" repeated Charles. "What do you mean, beautiful?"

"I mean he ties up electric percolators and brass pipes and vacuum cleaners and paint and plaster and nails with Life. He simply makes them sing. He—oh, that house was lovely."

"A mute, inglorious Milton, with his light under a frying pan," chuckled Charles Hagan, Sr.

"Well, I've sometimes wished that I knew how to express the kind of feeling I have about this store."

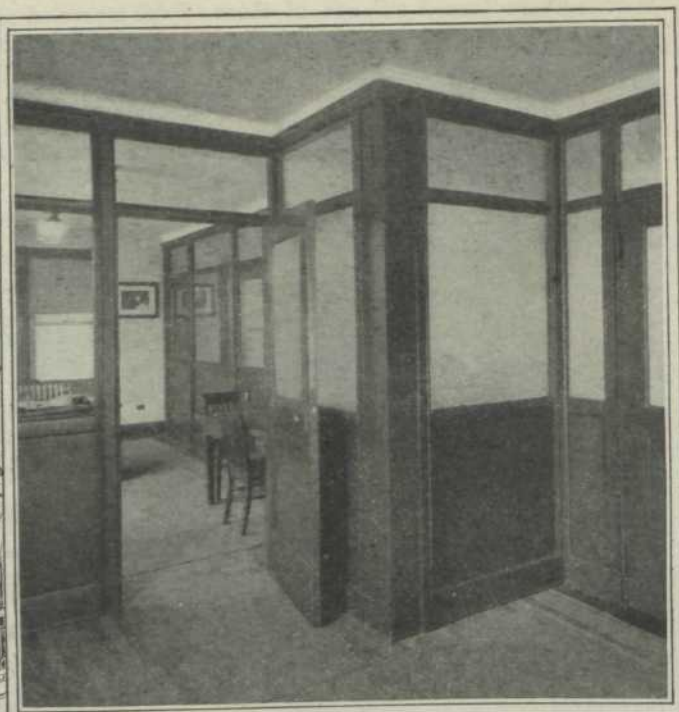
"It's a kind of a cave of Aladdin to me. Only I've filled it myself. And every single piece of stock in the place is Aladdin's lamp."

He picked up a twelve-penny nail from a keg.

Magic in Hardware

"LOOK, I rub this nail! And what do I see? I see men digging ore with steam shovels in the Mesabi. I see the ore rolling down the chutes into great steel ships, snatched by great machines out of the ships and into cars, shunted into yards of foundries and roaring, rumbling mills. I see men and machines spinning the iron into threads, I see men and machines cutting and shaping those threads into nails, I hear freight trains banging over the rails to bring the nails to me, and here they are."

"Then I rub the nail the other way and I see it driven home by one of my hammers into the joist of a framework that will be a house. I see 20,000 others driven until the framework is a house. I know that the tools I sell will shape the materials of that house until it's ready for human beings—working, playing, longing, loving, dreaming human beings—to



Mills Metal New Executive Office
Partitions designed for 1929

Mills Metal Partitions Geared to 1929 Speed

BUSINESS is moving forward at a rapid rate. The 1929 idea is greater acceleration. Mills Metal Interchangeable Partitions always a factor of speed and economy offer this year even greater advantages.

Even easier than ever to install, take down and re-assemble. Greater production with accompanying economies and improved delivery.

Simplicity and beauty have been greatly increased by new and better designs. Mills Metal Interchangeable Partitions offer in 1929 the greatest possible economy, convenience and beauty for office, factory or any place where partitions are used. Write for descriptive literature.

And This! Mills has developed Marblmetal, a toilet partition combining all the fine advantages of marble and metal. Beautiful, sturdy and absolutely sanitary. Write for literature describing Marblmetal.

THE MILLS COMPANY
A Mills Metal Partition for Every Purpose
900 Wayside Road - Cleveland, Ohio
Representatives in All Principal Cities

MILLS  **METAL**
INTERCHANGEABLE PARTITIONS

When writing to THE MILLS COMPANY please mention Nation's Business

occupy it. That's what I see—just by rubbing a nail."

"Why, Dad," said Charles, Jr. "You never talked like this before."

"Don't interrupt," said Charles, Sr. "I never really got going before."

"Now I drop the nail and I rub a hinge. And that hinge opens the doors of that house to romance. Not the Romeo and Juliet romance of calf kisses on balconies, but married romance that makes that house a home. Romance that has sense enough to want that home to *stay* a home. Romance that doesn't despise comfort, or cleanliness or convenience."

"Romance that isn't afraid of necessary drudgery but isn't going to do the washing by hand if it can afford a washing machine. Romance that looks forward to additions to the family and considers the best equipment for a nursery."

"Things are just things? Boy, I can rub any damn thing in this store and show you dreams that Aladdin couldn't have realized if he'd rubbed his lamp with an electric polisher."

"I can rub a garden tool and see 10,000 gardens. I can rub a radio tube and evoke wonders that would make Aladdin's slave pale with envy."

"Why do you think I've been selling hardware 30 years if I didn't get something besides a living out of it? Can't you give your dad credit for enough intelligence to make his living some other way if that's what he wanted? Don't you know that I could have retired 10 years ago? Think it's just habit that keeps me here?"

"Guess again, son. I'm here because I love selling hardware. I'm here because I think everything I sell adds to human happiness and gives more zest to life and love. I'm here because this place pulses and throbs with Life—Life with a little 'I' and a capital 'L'."

"I'd hoped that you'd carry on with me in the same spirit. But if you don't feel it, it would be folly for me to insist. You and Sybil have your own lives to live, and I want you to live them. And you'll do it with my blessing, for you sure have picked a darn nice girl."

Advertising Romance

"FINE," said Charles Hagan, Jr. "But if you feel that way about your business, why in heaven's name don't you put some of that stuff into your advertising? Why keep all this magic and enchantment and romance and glamor of hardware to yourself? Now, I could do you some copy—"

"And I could do illustrations for it—," Sybil added.

"And we could run a campaign that would make this hardware store unique. 'Light Your House With Aladdin's Lamp.' 'The Enchanted Nails.' 'The Glamorous Hammer and the Magic Saw.'"

"Oh, it would be fun!" said Sybil. "And we wouldn't have to go to New York."

"Don't you want to go to New York?" asked Charles, Jr., open-mouthed.

"Not since your father showed me that

house," admitted Sybil. "I have discovered I am domestic. If I could have a house like that—"

"I guess that could be arranged," said Charles Hagan, Sr., with a slow smile. "You see, I was going to use it as a gross material bribe if everything else failed."

"It's for us?" cried Sybil.

"Nursery and all," said Hagan, Sr., "provided 'and Son' is added to the sign in front of this store."

Sybil and Charles, Jr., looked at each other. Then Charles, Jr., shook his father's hand.

"Married romance will step over the threshold of that house and make it a home just as soon as Sybil is willing," said the son.

"Sybil is willing right now," she said. Then she kissed Charles Hagan, Sr., and said:

"But I don't like the light fixtures in the nursery, and there ought to be a bigger medicine cabinet in the front bath room."

"Rub a nail," said Charles, Sr., "and the slave of the Nails will attend to it."

Homes for Workers

THREE years ago a small community, Kewaunee, Wis., faced a problem that is present in many manufacturing communities. The skilled workers were moving away because housing conditions were much poorer than in other cities. The workers were willing to pay for good homes, but there was a shortage of modern houses and few were being built.

A Kewaunee manufacturer complained to the Chamber of Commerce that unless proper houses became available, he could not retain his skilled employees.

The head of the Chamber worked out a plan whereby a few homes could be built. Other business men gave instant approval.

Cooperation from the city was obtained through an appropriation of \$2,000. In addition the president of the Chamber raised \$25,000 among his fellow business men.

A local architect drew the plans and a local contractor made the lowest bid. The lumber dealers in Kewaunee made close prices on the lumber and building supplies in order to help the cause along. The contractor, by his agreement, worked on the erection of the homes during the Winter and at other periods when he had little other building work to do.

The homes were built on lots that, because of lack of care, made the community look rather shabby. The success of the first houses built encouraged the building of others throughout the city.

The community considers that everybody profits by the house construction. The city is receiving at least \$2,000 a year in additional taxes. The problem confronting the manufacturers has been solved. Building workers have been kept busy during slack times. Unsightly lots have been made beautiful.—W. L. H.

Long Identified with Engineering Advancement

Sylphon

TRADE MARK

TEMPERATURE CONTROL

AUTOMATIC ACCURATE



Installation of 3 No. 932 Sylphon Regulators

Now An Important Factor In CHROMIUM PLATING

THE recently attained positive control of the electrolytic deposition of chromium on metals provides better and more beautiful automobile hardware and many other articles of common usage. The new chromium surface has a dense texture, highly resistant to dirt and corrosion and is extremely durable. A wide variety of effects from frosty finish to brilliantly smooth are possible.

Now all manufacturers and platers by a careful relative adjustment of the three factors essential to success,—**acidity, temperature and current density**, may economically employ chromium plating.

Accurate control of process temperatures is best maintained by Sylphon Temperature Regulators, thermostatic instruments containing the original Sylphon Bellows as their motor element.

Three No. 932 Sylphon Regulators in the chromium plating plant of one of the largest automobile manufacturers in America are shown above.



The Sylphon Bellows

Sylphon THERMOSTATIC INSTRUMENTS

That Sylphon Temperature Regulators have been generally adopted by leaders in this new basic industry is only natural. Sylphon Regulators for the control of temperatures or pressures of air, liquids or gases have for many years found extensive and diversified employment and are favorably known to engineers, architects and manufacturing executives.

THE Sylphon BELLOWS

Originated and patented by The Fulton Sylphon Company, is the motor element in thousands of thermostats in the most highly recognized radiator traps, refrigerating machines, automobiles, industrial and building temperature regulators, and many other diaphragm applications.

The plant of The Fulton Sylphon Company is the largest in the world devoted exclusively to the manufacture of thermostatic instruments and we invite those interested to submit to our engineers (without obligation) problems involving Sylphon Temperature or Pressure Control.

Address Letters to Department "N"

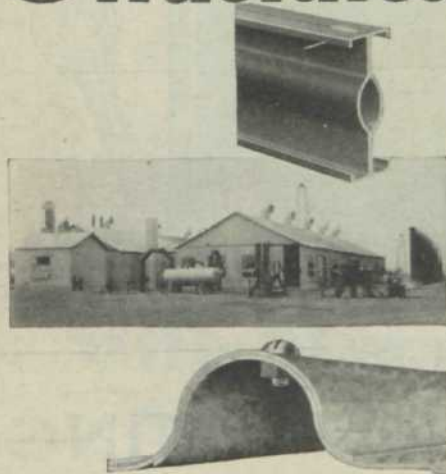


Representatives in all principal cities in U.S.A.—European Representatives, Crosby Valve and Engineering Company, Ltd., 41-2 Foley St., London, W 1, England.—Canadian Representatives, Darling Bros., Ltd., 140 Prince St., Montreal, Que., Canada

When writing to THE FULTON SYLPHON COMPANY please mention Nation's Business

For all "Outpost" Operations Steel Structures

Made
entirely
of STEEL



HERE is pictured a typical case of "decentralization in industry". It is a modern gasoline plant in Texas, property of the Signal Oil Company, completely surrounded by oil wells from which comes its raw material. In Arkansas, cotton gins are in the cotton fields. In Colorado, refining processes are at the mines. In Illinois, corn stalk paper is made in the shadow of the corn stalks. Taking the factory to the raw material is a growing actuality.

In all industries with operations "outpost" in character, Butler Ready Made Industrial Buildings have won preference on such merits as completeness, economy in acquiring and in maintenance, fire resistance, speed in erection and appearance. But buyers are most impressed by their substantial qualities which make for permanency and with their flexibility which permits enlarging or taking down, unit by unit with full salvage for re-erection.

A cross section view of a purlin and of a side wall section are shown. By such ingenious shaping the strength of steel is multiplied throughout Butler Ready Made Buildings. Maximum strength per pound of steel is attained.

With booklet 75N let us submit a preliminary estimate on the size building in mind.

BUTLER MANUFACTURING COMPANY
Kansas City, Mo. Minneapolis, Minn.

BUTLER

READY-MADE
STEEL BUILDINGS

When writing please mention Nation's Business

Making a Machine of the Retailer

(Continued from page 50)

store I grew more and more impressed with this point of view.

I decided that the small merchant is being "merchandised" to death. It is hard for many manufacturers to realize, when they are firing their Big Berthas at the small dealer, that this man is also the target for a hundred or two equally powerful sales promotion howitzers. Put yourself in the position of the proprietor of the average store.

Thousands of manufacturers are employing thousands of men who devote their entire time to marketing. These men feel, naturally enough, that in order to justify their pay envelopes they must keep turning out new merchandising ideas. They proceed on the theory that you and I do not buy but that we are sold and that the small merchant is their sales representative. They spend millions of dollars to improve his salesmanship—or rather in the attempt to improve his salesmanship.

They Wage a Battle Royal

WITH the aid of the printer, the salesman, the artist and the copy writer they descend upon you—the merchant. Or, more rightly, they converge upon you—the merchant. You are urged to cash in big on fly killer, garden tools, cutlery, seeds, fertilizer, alarm clocks, lawn mowers, refrigerators, paint and many, many other lines.

All of these are called to your attention—as a merchant—by letters, personal solicitation, broadsides and other processes. Your windows, your counters, you personally, become the battle ground of "merchandising."

Then, as the variety, the pressure and the insistence of this "merchandising" increase you grow perplexed, harassed, bitter—until finally when something comes along that you really wouldn't have missed for anything you have already missed it because the waste paper basket is taking care of your "cashing in" process.

This is exaggerated to be sure but more than a pound of truth lurks beneath the hundredweight of caricature. Now the small merchant needs help; he needs ideas; he needs counsel. But right now he needs somebody to tell him where he sits in this new era of marketing that the chain store has produced. He is confused by the competition which surges about him. He is tired of being urged to cash in. He feels that blah is abroad in the land. For the moment he needs a sedative more than a stimulant. If he can be induced to consider how he can better serve the buyer than how to "sell" the customer the change in point of view will improve his morale and make his store a better place for you and me to trade.

If you and I can persuade the manufacturers that we have bought garden tools, paint and electric irons in increasing volume each year because they have made them better and cheaper and not because

of pep and personality in their selling methods, a lot of money that has been going into sales education will go into more useful channels. Advertising, for instance, to keep you and me informed about the product. Lower prices, as our share of the \$8,000,000,000 that is now being lost every year in distribution. And lastly a little plain talk to our representative—the merchant. In fact, the lamp industry is already proving the theory that what we buyers really want is more service and less salesmanship.

This industry is saying, in effect, to the small merchant that in this new marketing era where the buyer prefers to read, to see, to touch, there is a definite place for him. They are gearing their product and the small merchant's convenience to the chain-store theory in a way that gives him a job that he *knows* he can do. In this new lamp picture, the small merchant finds himself with the definite job, not of selling lamps, but of taking care of a lamp-selling machine.

This machine, without being a robot in any sense, provides the merchandise to be sold, adequate space for inventory, and a lighted display of the lamps so that you and I can decide on the lamp suited to our particular need. The merchant need not be able to paint a glowing word picture of the larger lamp sizes—our eyes will take care of that.

This machine displays all sizes of lamps, right out in the open where you and I can get our hands on them. Over 3,600 of these merchandising devices have been sold to dealers and they are working out in splendid shape.

Buy Rather Than Sell

BUT if these machines lack mechanism, as we think of moving do-dads, they do have a mainspring that operates not only on you and me, but on the dealer, too. He knows that if he keeps his machine clean, well stocked with lamps, and well lighted, you and I and the lamp company will take care of the rest.

The late Mr. Woolworth proved that quantity in buying was more important than quality of selling, at least up to the sum of a dollar. The small merchant is slowly learning this important marketing fact with the result that he is getting his merchandise out where it can be seen and handled and bought.

If he has been slow to act it has been because manufacturers have been spending so much time and money trying to make him believe that standard merchandise is sold and not bought, that he is their sales representative instead of our buying contact.

Two important economies are possible to manufacturers from this view. A saving of hundreds of thousands of dollars that now go into a multitude of small merchants' waste baskets, and a saving of much helpful and badly needed thought that now is similarly cast aside.

"Going to Sea by Rail"

Crossing Great Salt Lake is but one of many scenic adventures along Overland Route to California



FIFTEEN miles west of Ogden you actually "go to sea by rail"—over Southern Pacific's famous "cut-off" across the mighty Great Salt Lake.

For nearly 103 miles your "San Francisco Overland Limited" skims over this remarkable man-made pathway. The Wasatch Mountains of Utah rim this vast dead sea. The beauty of the great open spaces, the silence of the desert, the wheel of seagulls far from their native oceans, the strange play of sunsets, make the passage of Great Salt Lake one of the memorable events of your journey.

Near Promontory Point, where your Overland first reaches the western side of Great Salt Lake, frontier history has been made. Here, on May 10, 1869, the eastward—and westward—pushing lines of America's first transcontinental railroad met and linked the nation with a golden spike. That forever ended the day of the "covered wagon." The work



The comfortable club-car is a far cry from bullock wagons which once slowly creaked westward around the shores of this vast lake.

of intrepid pioneers was finished.

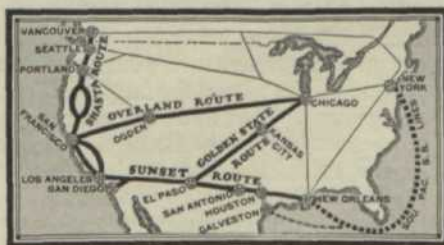
After you leave Great Salt Lake you speed across Nevada's wide plains, where snow-capped mountain ranges back away to half-hide in purple shadows or boldly, in bright relief, return the yellows and reds of the sun. Then across the Sierra's summit and past Donner Lake;—Tahoe, where now you can go right to the lake's shore

by Southern Pacific trains. Descending via American River Canyon—you view another spot of historic interest and breathtaking alpine beauty.

In a few hours you will be in Sacramento, the capital of California. It will be worth your while to tarry there and see Sutter's Fort, now a museum, with many of its frontier relics still intact. Oakland and San Francisco are but three hours beyond.

By means of its four routes to California, all of which follow pioneer pathways you can see the utmost of the historic West. Go one way, return another, and see the whole Pacific Coast. Stop over anywhere. Only Southern Pacific offers choice of four routes. Only Southern Pacific provides twelve trains daily to California.

Please send your name and address to E. W. Clapp, 310 S. Michigan Blvd., Chicago, for copy of free illustrated travel booklet: "How Best to See the Pacific Coast".



Southern Pacific Four Great Routes

SUNSET ROUTE—"Sunset Limited". GOLDEN STATE ROUTE—"Golden State Limited"
OVERLAND ROUTE—"San Francisco Overland Limited". SHASTA ROUTE—"The Cascade"

When writing to SOUTHERN PACIFIC please mention Nation's Business



The First International Currency

It was in 1891 that the sky-blue Travelers Cheques were devised by the American Express. They were the first cheques to show the foreign money equivalent of a specified amount of U. S. dollars.

Their method of identification was made simple, but sure. The purchaser signs his name on each of the cheques when he buys them. When he wishes to spend them, he signs his name again in the presence of the person accepting them. The agreement of the signatures makes the cheques spendable. If they are lost or stolen, uncounter-signed or not surrendered for value, the American Express refunds in full.

American Express Travelers Cheques have stood the test of time, and are known all over the world. To many foreign hotels, shopkeepers, they are synonymous with American travelers.

Issued in denominations of
\$10, \$20, \$50 and \$100

Cost 75c for each \$100

Sold by 22,000 Banks, American Express and American Railway Express offices. Merely ask for the sky-blue American Express Travelers Cheques.

for safety and spendability
AMERICAN EXPRESS
Travelers cheques

Steamship tickets, hotel reservations, itineraries, cruises and tours planned and booked to any part of the world by the American Express Travel Department

When writing please mention Nation's Business

NEWS OF ORGANIZED BUSINESS

By Willard L. Hammer



Seattle Chamber of Commerce founded 1882

Banquet via Radio

THE Spokane, Wash., Chamber of Commerce held its annual banquet this year in a unique fashion. It was the first radio banquet ever given by a chamber of commerce, so far as we know. The attendance at the annual dinners of the Chamber had grown so large that no hall was available that would house the crowd. The problem was solved by holding the banquet in the homes and broadcasting the speeches and entertainment from the local radio station, KHQ.

Whereas in former years the maximum attendance was about 1,000, this year more than 4,500 signified their intention to listen in at the appointed time. It is estimated that 10,000 actually did tune in.

The addresses were short and pithy—would that all banquet speeches were—and were interspersed with music.

Many chambers of commerce in that and neighboring states sent telegrams of congratulations.

"The food and service were not equal to the standards of former years," wired the Yakima Chamber of Commerce, "but program and accomplishments set a new high mark."

Farmers for a Chamber

MOBERLY, Mo., with a population of nearly 15,000 recently learned how to get the good will of the farmers in its trade territory.

The Moberly Chamber of Commerce was holding a membership drive. Merchants and business men went out during the campaign and met the farmers on their own ground. They told of a contemplated movement to help the farmers. Previous to the drive, the farmers had believed that Moberly was utterly selfish and had no interest in the farmers.

The campaign changed all that. The farmers and merchants became real friends. Many of the farmers enrolled as members of the Chamber.

In order to sustain the interest of the membership aroused by the campaign, the Chamber sent out letters asking what were the most important things the Chamber could do for the community.

"Boost Moberly, work together" was the first answer to this question. Many also thought there was a necessity for aid in promoting community gatherings such as annual fairs, and other meetings where town and country folk could discuss their problems.

The replies convincingly showed that the citizens of Moberly are awake to their community's needs and willing to cooperate to better the community.

Foreign Trade Pamphlet

EXPORT and import prohibitions and restrictions are and have been, especially since the war, great obstacles in the way of trade. They have hampered the normal play of competition by imperiling both the essential supplies of some nations and the indispensable markets of others. Artificial trade channels have thus been created.

The World Economic Conference, held at Geneva last Summer, set on foot an interesting international convention to eliminate these trade barriers. The signatory and ratifying powers agree to eliminate import and export prohibitions or restrictions within a limited time after the convention goes into effect.

Details may be obtained from the pamphlet, "The International Convention for the Abolition of Import and Export Prohibitions and Restrictions," published by the Foreign Commerce Department of the Chamber of Commerce of the United States.

Billboards on Highways

WHAT shall be done to protect the scenic value of points along public highways and the beauty of residential sites is becoming an important question in the minds of real estate men. The National Association of Real Estate Boards plans to have a conference on the subject at its meeting in June.

The Outdoor Advertising Association of America has been cooperating with the realtors and more than likely will share in the conference.

Advertising signs have an important

A Dream



Realized

NEW YORK LIFE INSURANCE COMPANY

(INCORPORATED UNDER THE LAWS OF NEW YORK)

A MUTUAL ORGANIZATION, FOUNDED IN 1845

EIGHTY-FOURTH ANNUAL STATEMENT

TO THE POLICY-HOLDERS:

Our Eighty-fourth Annual Report has been verified and is being filed with various governmental authorities. May I point out to you, the people chiefly interested, some of its salient facts?

As policy-holders you paid the Company last year in round figures \$256,000,000.

The Company paid to you and to beneficiaries \$156,000,000. That left us about \$100,000,000.

Our net reserves increased during the year \$100,000,000.

We put that \$100,000,000 in our reserves.

You may ask, what are reserves?

Broadly speaking, they are funds set aside from which future liabilities are to be met.

We put that \$100,000,000 in reserves at the close of the year for that specific purpose.

A policy of Life Insurance is almost exactly like a bond. It will mature some day. Nearly all bonds mature at a definite date. Most policies of Life Insurance mature at an indefinite date, but all will mature, in some form, within a limited period of years.

A sound bond is protected by a Sinking Fund—from which the bond is to be redeemed at maturity. The Sinking Fund is accumulated by yearly deposits.

That \$100,000,000 was our 1928 deposit, our addition to the Sinking Fund for that year.

The law requires it. If we had failed to make or could not make that entry (deposit) we would soon be declared insolvent by the Insurance Departments and the Courts.

The reserve increase for 1928 was large, but no larger than the law requires.

That we shall redeem all our bonds (policies) as they come due is certain. You know that.

The other income of the Company was sufficient to pay all the expenses of acquiring \$900,000,000 of new business in 1928, the care of about \$6,500,000,000 of old business, taxes, \$6,700,000, the care of invested funds, the maintenance of other legal reserves and a sum sufficient to pay in 1929 \$8,000,000 more in dividends than we paid in 1928, and to increase the general surplus by \$4,000,000.

In addition the Company loaned you on the sole security of your policies \$52,700,000.

These are round figures, calculated to give you merely an outline sketch of the Company's activities in 1928.

SAVING YOUR MONEY

How much of the \$156,000,000 we paid you or to beneficiaries during 1928 and how much of the \$52,700,000 loaned you during that year will be lost because unwisely invested? That is a very important question. It goes to the very heart of the usefulness of Life Insurance. To save money by investing it soundly is difficult.

Even men of experience frequently make mistakes.

I do not overstate the truth when I say that few people having small amounts of money to invest do it wisely.

REMEMBER

You can leave the proceeds of your insurance with this Company in trust for your beneficiaries or you can leave any cash due under your policy and the Company will hold it, guaranteeing your principal and not less than 3% interest.

On all such funds we will pay in 1929 (as we have done for some years) 4.6%.

In 1928 you left with the Company in this way under various accounts \$28,000,000.

Your total under these accounts on January 1, 1929, was \$70,000,000.

That \$70,000,000 is not just a deposit. It is mingled with the Company's entire assets and is a part of the Company's liabilities. It is backed, as all our liabilities are, by \$1,500,000,000.

Finally study the balance sheet. There you have the facts about our financial condition, while above you have a picture of the new Home Office: "A Dream Realized."

Dividends to Policy-holders in 1928 . \$58,600,000

Dividends in 1929 67,100,000

BALANCE SHEET

ASSETS		LIABILITIES	
Real Estate Owned and First Mortgage Loans on Farms, Homes and Business Property.....	\$564,502,256.85	Reserves—ample with future premiums and interest to pay all insurance and annuity obligations as they become due.....	\$1,340,100,132.87
Bonds of the United States, Other Governments, States, Cities, Counties, Public Utilities, Railroads, etc.....	641,944,719.68	Dividends Payable to Policy-holders in 1929.....	67,148,446.00
Preferred and Guaranteed Stocks.....	31,238,610.00	All other Liabilities.....	7,973,047.98
Policy Loans, Cash and Other Assets.....	297,394,761.12	Total Liabilities.....	\$1,415,221,626.85
Total Funds for Policy-holders' Protection	\$1,535,080,347.65	General Contingency Fund	119,858,720.80
		Total.....	\$1,535,080,347.65

Show the "Dream" and the balance sheet to your neighbor.

New York Life Insurance Company

By DARWIN P. KINGSLEY, President

When writing to NEW YORK LIFE INSURANCE COMPANY please mention Nation's Business



In or Out *a positive check on traffic*

ONLY one way in or out of the plant that is enclosed with an Anchor Chain Link Fence. Men, trucks and materials must enter and leave the premises thru a controlled exit . . . the gate. There the watchman prevents any attempt at theft . . . and refuses entry to undesirable or unauthorized persons.

Ask the local Anchor Fencing Specialist to submit a plan for enclosing your plant with an Anchor Chain Link Fence. He is equipped to recommend and properly erect the right enclosure for your particular working conditions. Anchor Fencing Specialists are located in 75 cities . . . one is near you.

ANCHOR POST FENCE COMPANY

Eastern Avenue and Kane Street Baltimore, Md.
Albany, Boston, Charlotte, Chicago, Cincinnati, Cleveland, Detroit, Hartford, Houston,
Los Angeles, Mineola, L. I., Newark, New York, Philadelphia, Pittsburgh,
St. Louis, San Francisco, Shreveport.

Representatives in all other principal cities. Consult your local classified telephone directory.

ANCHOR *Fences*

MADE BY THE MAKERS OF AMERICA'S FIRST CHAIN LINK FENCE

When writing to ANCHOR POST FENCE COMPANY please mention Nation's Business

and legitimate place in modern business, but the uncontrolled use of such signs in recent years has come to injure the investment which the public has made in its highways by destroying or marring the pleasant views.

The committee of realtors that has been working on the problem reports that there is growing criticism of the "shack" type of lunch stands, filling stations, and similar places.

Cooperating Competitors

ONE OF the interesting examples of cooperation by competitors in modern industry is furnished by the Electric Steel Founders' Research Group. This organization was formed in 1920 by men who felt that co-operative research to improve steel foundry practice would be of great benefit and that bringing together the combined knowledge of various persons would help solve difficult problems.

In 1923, methodical work in merchandising research was begun. The merchandising committee, which was then formed, confined itself largely to analyses of industries using steel castings, to study of new uses of the castings, and to development of a satisfactory cost system, which had for many years been seriously needed.

The central office of the Group began to serve in part as a clearing house for information of benefit to officers of member concerns. A feature of great value in this was the monthly interchange of operating and departmental cost data. Works managers were prompted by the comparisons made to inaugurate desirable local investigations.

Regulations were adopted soon after the formation of the Group providing for standards of inspection. The members have committed themselves to strict observance of these.

Research is done with equipment of the various companies, under the supervision of the association. Cooperative technical effort by companies that are in every respect competitors has been shown to be sound in principle. The similarity of the major processes of the members is undoubtedly an important factor in making the association research so successful.

Panacea of Cash Payments

BLOOMFIELD, Nebr., has decided to adopt permanently the plan its Chamber of Commerce put into effect last year, that of conducting all business on a cash basis.

From butcher and baker, to barber and dentist, to physician and surgeon, it is pay as you buy in Bloomfield. The system has allowed the merchants to cut their overhead, to reduce losses on bad accounts, to conduct their businesses more efficiently. Results have surpassed fondest expectations. Not only has no business permanently left the territory, but the low prices resulting from the cash basis have attracted customers from other communities.

Prior to adoption of the plan the merchants who had been "charging it" were

getting no more business than were the cash merchants who had moved in during the past few years and who had been able to undersell the older credit merchants.

The Retail Men's Association was formed when it was evident that a drastic change in methods was necessary. Each member signed an agreement to insist on cash for each sale for a period of nine months. If then the system seemed a success, it was to be continued indefinitely. It has so far proven very successful. Every merchant is elated.

When the system was first put into effect, old customers objected to paying cash where they had been getting credit, but they only went across the street to another cash store and soon were back trading with the first store and glad to find that their dollar would go much farther than before.

The cash basis of sales is the greatest help yet found for combating the increasing competition of the chain stores, which have, of course, always been on a cash basis.

The merchants have also discovered that they can pay cash and get much better prices from wholesalers. Hence the cash trading helps to reduce prices at both ends.

A Chamber Sells Bonds

THE Association of Commerce of Quincy, Illinois, sold two hundred and fifty thousand

dollars worth of bridge bonds in three days. And because of this, the city is to have a new million and a half dollar bridge to span the majestic Father of Waters.

A bridge, independent of the privately owned, toll bridge now in operation has been the hope, the aspiration, and the talk for the last half century or more. But it took the Association of Commerce to make it possible.

The plans were started more than three years ago. At first it was thought the city would issue bonds to cover the cost of the bridge, but the bonding power of the city was not sufficient, as there were other outstanding bonds, and, too, there was considerable opposition to the undertaking by small property holders.

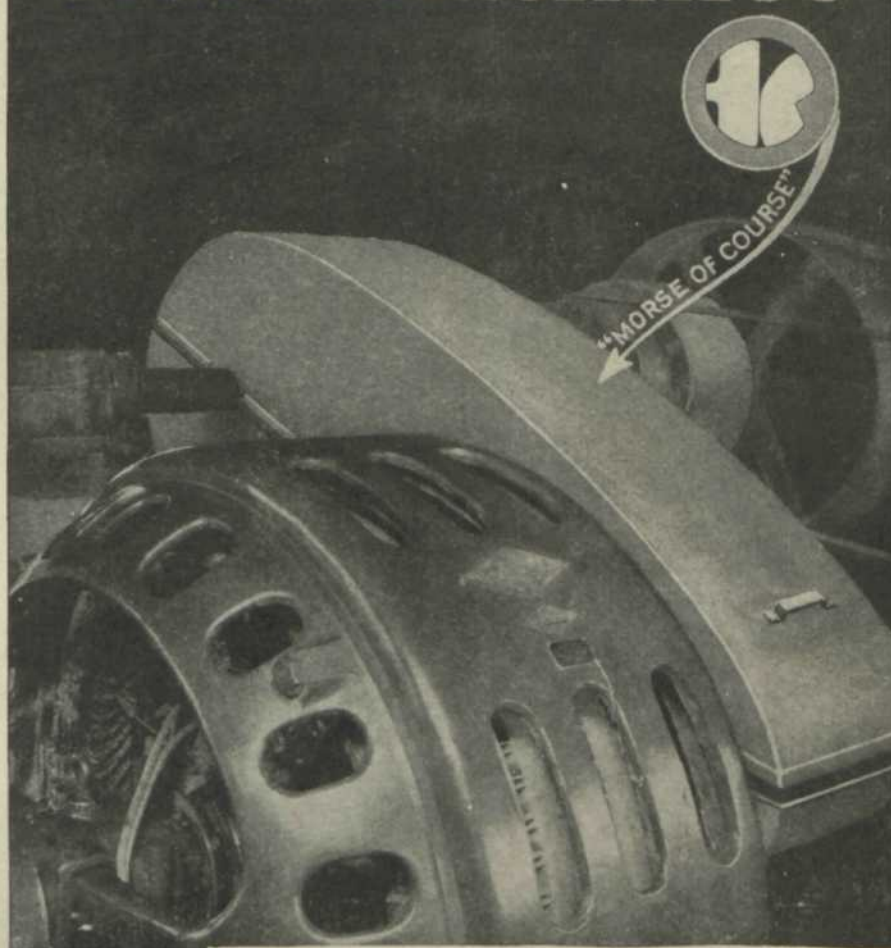
In the meantime, the Association of Commerce employed engineers to get estimates on a bridge.

The Missouri State Highway Commission agreed to connect its cross-state highway with the western approach of the bridge. And, as the bridge comes to the foot of Main Street in Quincy, nothing on the east side of the river was necessary to complete the arrangements.

After these plans had been approved by all the government and state organizations concerned, one of the largest bridge building concerns in the country offered to build the bridge, at a cost of about a million and a half dollars, providing two hundred and fifty thousand dollars were forthcoming as a guarantee. Here the Association of Commerce was a potential factor in making this possible.

A plan was worked out between the bridge contractors and the Association of

For driving brick machines



SURE power contributes materially to the continuous operation of brick machines. The line shaft at this brick plant is driven from a 200 H. P. synchronous motor by a Morse Silent Chain. Its dependable and efficient operation helps to insure greater production from the brick machines.

This drive operates on 54 inch centers; driver, 720 r.p.m.; driven, 225 r.p.m. One tenth or 5,000 H.P., the same dependable results are possible.

Over 6,000,000 h. p. of Morse Silent Chain Drives have been installed for transmitting power to machinery of all types. It pays to standardize on Morse.

MORSE CHAIN CO., ITHACA, N. Y.

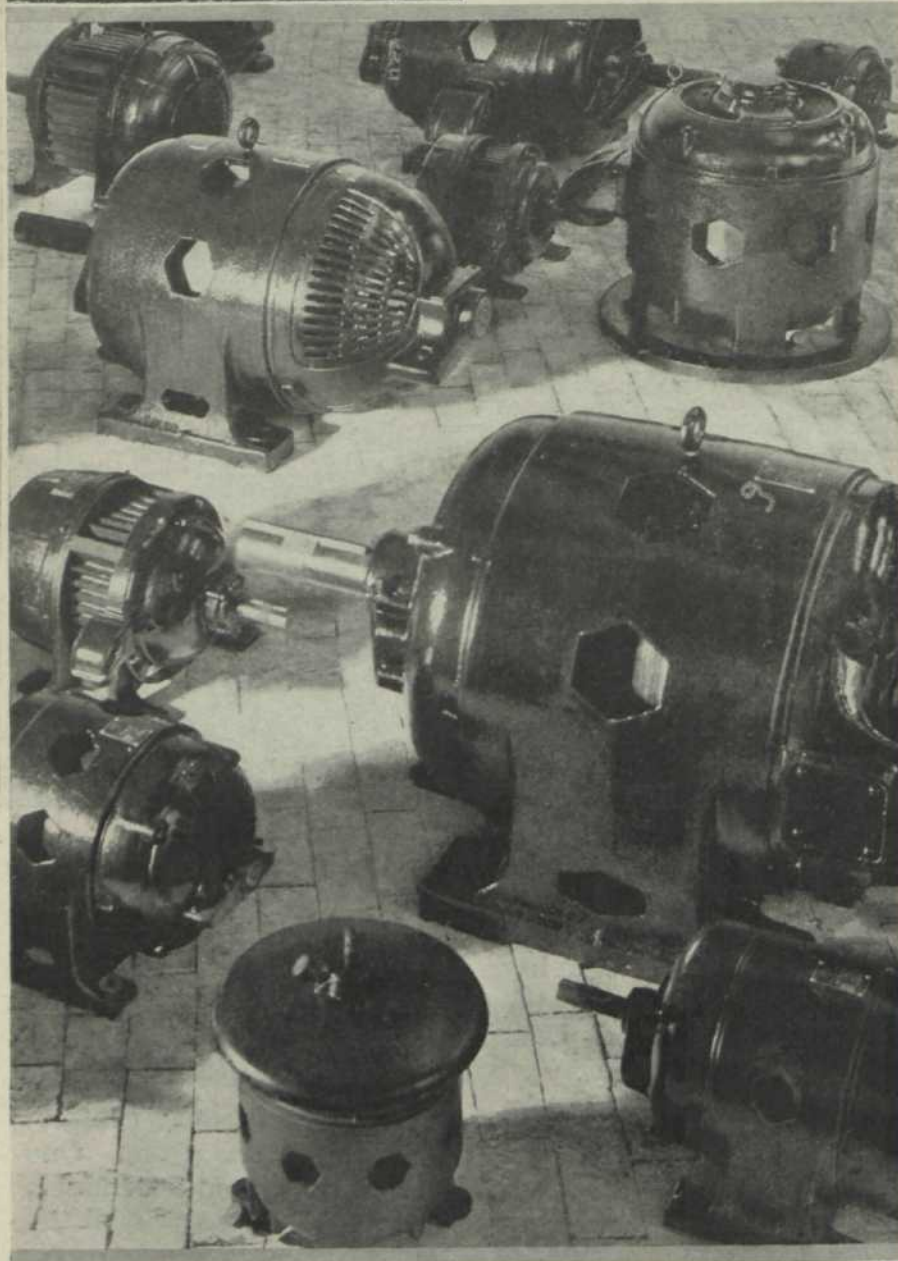
Branches in Principal Cities

MORSE SILENT CHAIN DRIVES

3266A

Good Motors Keep Up Production

To get the most out of a machine it must be driven by a motor that has the right characteristics; one that will stand up in service and operate economically. In order to render such service to industry, Wagner builds every commercial type of alternating-current motor.



Whatever your requirements may be, Wagner can recommend without prejudice the right motor for the job.

Literature on request

WAGNER ELECTRIC CORPORATION

6400 Plymouth Avenue, St. Louis, U. S. A.

Wagner Sales Offices and Service Stations in 25 Principal Cities

Products: FANS... Desk... Wall... Ceiling
TRANSFORMERS...Power...Distribution...Instrument
MOTORS...Single-phase...Polyphase... Direct Current

Wagner

...quality

Commerce, by which they would construct the bridge, take the tolls for twenty years and at the expiration of that time turn the bridge over to the city of Quincy.

The newspapers published in Quincy were for the proposal. Civic clubs, and kindred organizations, got behind it; and the mayor, the city council, the newspapers and the Association of Commerce cooperated, for the new bridge meant much to the future of Quincy's retail and wholesale business, to her factories, and to her banking institutions.

The bonds were prepared and approved by the proper authorities, being twenty year, six and a half's. The Association of Commerce appointed teams of solicitors. The Sunday edition of the *Herald-Whig* came out with a streamer across the front page, showing a picture of the proposed new bridge. It stated that Monday morning at eight o'clock would be the zero hour when Quincy would start over the top for that new bridge.

The committees worked up until eleven and twelve o'clock at night. Many a man who could not be seen in the daytime was called out of bed at night and asked to subscribe for the bonds.

Many a working man, many a stenographer and secretary bought bonds, as well as the banker, the manufacturer, the jobber and the merchant. By eight o'clock Wednesday night all the issue, two hundred and fifty thousand dollars' worth, of bonds were sold.

That night there was a big celebration. An impromptu parade was staged, and there was great jollification over the knowledge that Quincy's long dreamed of bridge would soon become a reality.

The Association of Commerce was the prime mover in the sale of these bonds and the making of this bridge possible. No one man can claim any credit. No one faction of the city can claim the credit. It was once that every one in Quincy was united.

The Army's Real Estate

THE United States Army engages quite actively in the real estate business according to a bulletin of the National Association of Real Estate Boards based on information from the War Department.

During the fiscal year 1928, the Army disposed of 8,555.18 acres of land and buildings by sale for a total sum of \$3,116,374.83. During the same period 722 buildings were salvaged, the material contained therein being used for repairing other buildings at the posts and stations wherever possible.

At the close of the fiscal year, there were in force 1,517 revocable leases and licenses for the use of government-owned property by private individuals, with an annual rental of \$726,068. At the same time there were in effect 554 leases for the use of private property by the War Department. This latter property had an aggregate rental of \$416,662.70.

This bulletin gave us quite a surprise, although we had been somewhat prepared for the shock of finding the Army

extensively in business. For only recently we read about the Army's navy—the five ocean-going transports operated by the Quartermaster Corps.

Salisbury Survey

THE "SLEEPY South" is waking up or rather has already awakened, persistent national advertising is telling America. Trade reports testify to the truthfulness of the advertising.

The Piedmont section of the Carolinas and Virginia is one of the most virile of these coming sections.

The Salisbury, N. C., Chamber of Commerce recently had a survey made to show the city's industrial situation. In the results, just published, Salisbury's central location in the Piedmont section is cited as a prime factor in the city's favor. Other favorable factors mentioned are power rates, shipping facilities, mild climate, and central location for mid-western, northern and southern markets.

Other chambers intending to make a survey of their city's industrial situations may find interesting the pamphlets "Facts on Manufacturing in Salisbury" and "Distribution's Crossroad." Both are published by the Salisbury Chamber.

News in the Headlines

FOUNDED on the supposition that business men read only the headlines anyway, the Soo Chamber of Commerce, Sault Ste. Marie, Mich., has just started the publication of a four-page paper entitled *Headliner* which gives headlines as any other paper does, but omits the text. A blurb explains:

The busy men who do things are too busy with matters of importance to waste time reading. They make up the great army of headline readers.

Inasmuch as this paper goes only to these busy and bustling babbitts, why waste time and money filling our columns with type that won't be read?

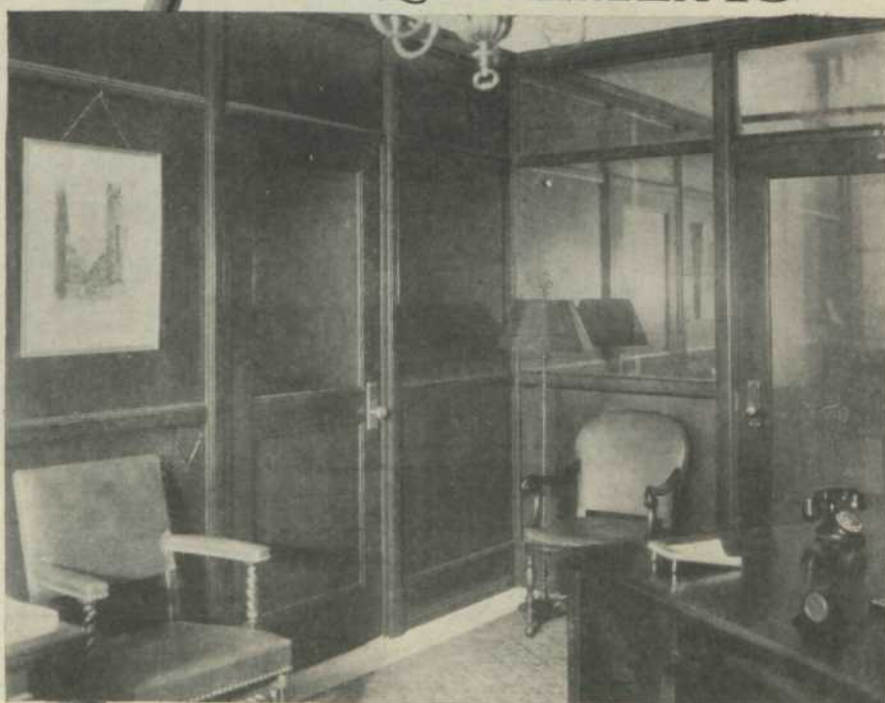
The paper tells its stories well in the arbitrarily limited space. It leaves some details, of course, to the imagination; but it does save time. And as our typographer, Mr. Douglas, would say, has plenty of good, white space.

Coming Business Conventions

(From information available March 5)

Date	Place	Organization
April 1	New York	Association of Marine Underwriters of the United States.
6-14	Buffalo	Society of American Florists and Ornamental Horticulturists.
8	New York	National Council of American Shipbuilders.
2nd wk.	Pittsburgh	National Sanitary Supply Association.
wk of 8th	Chicago	American Foundrymen's Association.
9-12	Detroit	Tile & Mantel Contractors' Association of America.
10-11	Washington	National-American Wholesale Lumber Association.
15-16	Chicago	National Clay Products Industries Association.
15-17	St. Louis	American Zinc Institute.
17-19	Baltimore	National Foreign Trade Council.
22-24	Memphis	Southern Gas Association.
24-26	New York	American Welding Society.
30-May 3	Chicago	Air Brake Association.
30-May 3	Washington	Chamber of Commerce of the United States.

PARTITIONS that meet all REQUIREMENTS



THIS recent installation of Hauserman Type T Partitions shows an interesting use of steel and glass in combination with solid steel walls. The former for maximum borrowed light . . . the latter (sound-deadening, packed panels) for that executive office privacy.

A refreshing originality of design . . . simplicity. Here is unmatched workmanship in steel—balance of design, tight, perfectly fitted panels. Lustrous tones—deep, rich, unusual; graining effects faithful to the smallest detail. A quality product for those whose selection is based on quality standards.

If you are considering a new building, or remodeling an old one, you will find it profitable to talk it over now with one of our partition engineers nearest you.

THE E. F. HAUSERMAN CO., *Partition Specialists*
6836 Grant Avenue CLEVELAND, OHIO
Sales, Engineering and Erection Service at Direct Factory Branches in Thirteen Principal Cities.

"PARTITIONS FOR EVERY PLACE AND PURSE"

HAUSERMAN PARTITIONS OF MOVABLE STEEL

*Please send me further
information about
Hauserman Partitions.*

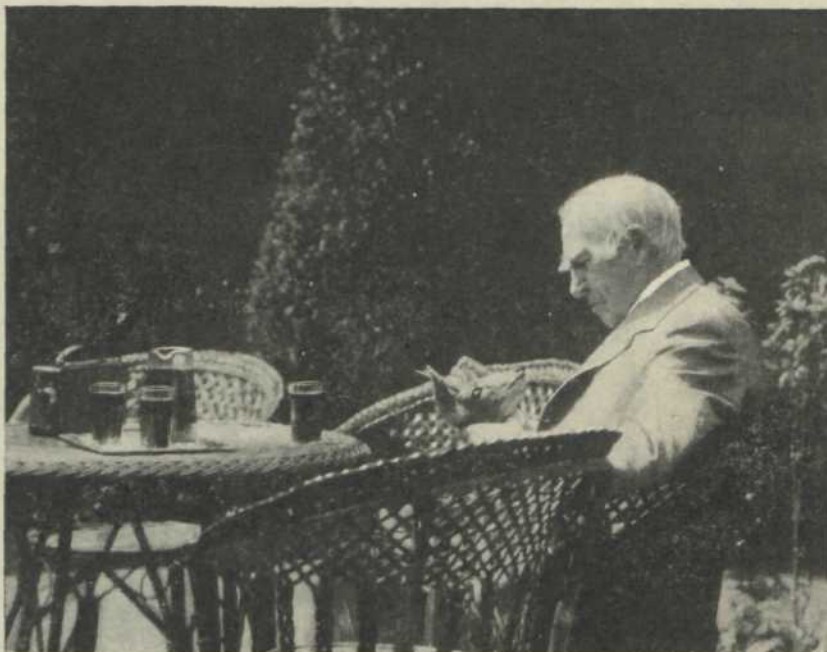
My Name _____

Firm Name _____

Address _____

NB 4-1-29

When writing to THE E. F. HAUSERMAN CO. please mention *Nation's Business*



An unusual picture of Edison, this. It shows the inventor in one of his few idle moments

King Coal Still Reigns

By THOMAS A. EDISON

EVERY so often some one tells us that water power is to take the place of fuel as the dominant force in generating electricity.

Visions of great hydroelectric plants, all over the nation, are conjured up, based on the theory that the coal supply, in the not distant future, will be exhausted, or that coal will be abandoned as an economic expediency for water power.

Now, the fact is that this country has merely scratched the surface of its coal deposits. The coal supply will last indefinitely. It is nothing to bother about.

Another fact is that hydroelectric power will never supplant fuel as a generator, since water power, in order to be utilized to its greatest efficiency, is generally dependent upon operating in a network system, linked with fuel-burning plants.

Only a few cities—those immediately within the region of water power—can hope fully to utilize hydroelectric power. The load of manufacture throughout the country must depend upon fuel-burning power.

Transmission Is Limited

DEVELOPED water power today is but a small fraction of the power required in the country, the balance being essentially generated from fuel-burning plants. Approximately 80 per cent of the undeveloped water power of the country lies in the Rocky Mountains and in the Pacific Coast region. The large market for power, unfortunately, is east of the Mis-

issippi. Great as have been the advances in transmission of electricity, the art has not yet reached a stage that makes it probable, or even possible, for electrical energy to be transmitted from the Pacific to the Atlantic.

The Question of Costs

INDEED, the cost of developing water power in the Sierra Mountains and transmitting it to the cities on the Pacific seaboard has become so great that it is now cheaper and more satisfactory to develop the electricity by steam located in the center of the load district. Two of the large public utility companies on the Pacific Coast that have pioneered in water power developments are at present engaged in erecting mammoth steam stations from which to supply future demands for electricity.

Moreover, by no stretch of the imagination can the inhabitants of Rhode Island, Massachusetts, Connecticut, New Jersey, Ohio, Indiana, Delaware, Maryland, Florida, Mississippi or Louisiana, for example, enjoy any material advantages from water power, because these states possess no undeveloped water powers of any consequence.

Two outstanding factors characterize water power development as distinguished from steam development. The cost of hydroelectric power is essentially one of investment. Steam generation, however, is generally one of smaller investment plus a larger cost for fuel and operation of the plant itself. The electrical output

from most water power stations is dependent upon the seasonal flow of water and requires for economical operation a close tie-in with fuel-burning plants that are subject to operation in accordance with the demands for power.

The hydroelectric plant, on the other hand, in order to be utilized to its greatest efficiency, is thus generally dependent upon operating in a network system with fuel-burning plants in order to utilize the water supply at the time the water is available.

The charge has been made that when coal has been exhausted the country will be dependent upon water power alone. The coal mined to date is less than one per cent of the available supply. On the other hand, the efficiency of coal utilization is low and has steadily increased with the development of the art to about 20 per cent, with the possibility of this going still higher. Water power now operates at over 90 per cent and has about reached perfection in its utilization.

A Problem for Posterity

WITH the continued improvements in the burning of fuels yet to come to offset the increased power demands, the coal supply will carry us indefinitely into the future. Water power, then as now, will be quite inadequate to meet the demands for electrical power, and posterity will have to develop other substitutes. But that is so far in the future that it is a matter of small concern today.



Silent Bakelite Molded Casters produced by The Bassick Company
Bridgeport, Conn.

At last—a squeak-proof caster formed of Bakelite Molded

BASSICK sought a squeak-proof caster. One that was never thirsty for oil. One that would run dry year on end and never squeak, squeal or squawk. Bassick found it in one made of Bakelite Molded.

Each wheel is formed of Bakelite Molded in one piece, in one operation. The wheel proper is of standard molding material, but the bearing surface is impregnated with graphite, and is self-lubricating. It never needs oil. The tough strength of Bakelite Molded makes it ideal for the wheel.

These Bassick Casters provide an excellent example of the unusual manufac-

turing problems so frequently solved through the use of Bakelite Materials, in one or another of their several forms. It suggests the desirability of considering Bakelite Molded for the economical production of parts made of other materials.

Bakelite Engineering Service

Intimate knowledge of thousands of varied applications of Bakelite Materials combined with eighteen years' experience in the development of phenol resinoids for industrial uses provides a valuable background for the cooperation offered by our engineers and research laboratories. Write for Booklet 42-M, "Bakelite Molded."

BAKELITE CORPORATION

247 Park Avenue, New York, N. Y., Chicago Office: 635 West 22nd Street

BAKELITE CORP. OF CANADA, LTD., 163 Dufferin St., Toronto, Ont., Can.

BAKELITE

REGISTERED

U. S. PAT. OFF.



THE MATERIAL OF A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital 'B' is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."

When writing to BAKELITE CORPORATION please mention Nation's Business



There's no fire so good, it cannot be made better with a sprinkling of Fyrewell Famous Reading Anthracite. Order a few tons today.

IF PURE WATER WHY NOT PURE AIR?

Cities, towns and villages have found it necessary to install costly systems of preventing pollution of the water which citizens use.

That has been forced upon them because of the swift ravages of epidemic diseases easily traced to the water supply.

The disease and damage which polluted air brings to life and property is more insidious; its effects are not so much epidemic as never ceasing; it unflaggingly encourages the ravages of respiratory diseases and is being blamed by medical authorities for increasing suffering and death from other ills.

In addition to its injurious effects on health, there is a property damage attributable to smoke which has been estimated at \$17.00 for every inhabitant of this country each year.

Such a scourge must be abated. Movements are progressing against this evil. Either fuels must be burned so that they cannot pollute the air, or smokeless fuels must be used. Burning Famous Reading Anthracite is the easiest and most economical way of preventing air pollution.

A. J. MALONEY
President

THE

PHILADELPHIA^{AND} READING

COAL^{AND} IRON COMPANY

PHILADELPHIA • NEW YORK • BOSTON • BUFFALO • DETROIT • TOLEDO • CHICAGO • MILWAUKEE
MINNEAPOLIS • ST. PAUL • ROCHESTER • BALTIMORE • WASHINGTON • READING • MONTREAL, CANADA

©PRCICO, 1929

THE PATTERN OF COMMERCE



As Seen by
Raymond Willoughby



THE report that shipments of locomotives declined from 1,074 in 1927 to 550 in 1928 carries its own motive power to invite consideration. For one thing, it whets curiosity about selling methods. Do the factories provide show rooms? Do they give demonstrations? Do representatives of the works call on "the trade?" Is there a "trade in" problem? The popular idea of the traveling salesman seats him in the smoker rather than in the cab. Certainly there is evidence enough for honest doubt that a locomotive salesman could carry a side line.

ON the word of Horace M. Albright, director of the National Park Service, "Jazz amusement features are not allowed in the parks. Conventional entertainment such as motion picture shows are not encouraged." The purpose, as he defines it, is to "present Nature in its most



striking moods and attempt through it to hold the interest of the visitor away from the conventional interest he has at home." Or, as the conventional theater program would put it, "Book by Nature. Lyrics by Nature. Scenery designed and painted by Nature."

WHATEVER else the death of John the Good, Prince of Liechtenstein, has revealed for public contemplation, it has brought into view the fact that he was no spendthrift. On the throne since 1858, this ruler was conservation incarnate. Certainly his statecraft is not to be measured by the dimensions of his principality, a mere blob of color on the map of Europe. Here is a facet of his character as revealed by a writer in the *Herald-Tribune* of New York:

For most of his life he let his people use Austrian stamps; but in his later years he discovered the possibilities of the American stamp market and he personally designed a series of issues which followed one another

with bewildering rapidity, the bulk of each issue being exported unused to the American collectors. He had, too, the canniness to note before he died that the Austrian inheritance taxes were heavy, and he made financial arrangements with his brother and nephew, the natural heirs, to pass the succession direct to his grand-nephew, thus avoiding the necessity of paying inheritance taxes three times.

That paragraphic notice of some of the prince's qualities is item enough for assurance that feudal lord though he was, John of Liechtenstein had modern notions.

THOMAS A. EDISON'S idea of a weed crop that would supply our rubber requirements puts the mind to a fresh elasticity of imagination. Botanists have long known that rubber-like materials exist in hundreds of plants of many different species. The difficulty, of course, is in extracting the rubber from the weed saps at low cost, and to obtain a substance of a purity and character suitable to the ordinary uses of rubber.

This persistent obstacle to commercial utilization has not been solved by Mr. Edison, and the gap between the vision and its fulfillment gives the cynic his opportunity to warn that there is likely to be many a skid between rubber in the weed and rubber in the tire. For the optimist, the idea will argue that it is an ill weed that holds no good rubber.

THERE is an established adage of the prize ring that "a good big man is better than a good little man." Competition in business is inviting a similar conclusion. Failures have increased in the last five years, and, for the most part, the suspensions have involved the smaller firms. Paradoxical as this trend may seem in view of its development in a period of economic activity and high industrial production, it does not lack for plausible explanation. It is well put by Col. Leonard P. Ayres, vice president of the Cleveland Trust Company, Cleveland, Ohio. He finds that

This is a time of prosperity for the efficient and the strong, but one of increasing difficulty for those that are less successful in reducing their costs of production, or distribution, or that are handicapped by inadequacy of capital. It is a time of mergers and consolidations. Of course, it is not true that all the large concerns are efficient, and the small ones inefficient, but in very many

cases it is true that the large firms grew large because they were efficient, and that the small firms are having increasing difficulty in competing with them.



PHILADELPHIA provides an illuminating object lesson in applying an apparatus of business to expand an appreciation of art. Through its "easy time payment" plan, the Art Alliance is trying to develop a larger public interest in art and to encourage American artists. As Miss Clara Mason, the executive secretary, puts it,

The Alliance takes this step realizing that there are tens of thousands of persons throughout the country who have a deep, inherent love for art, but do not know how to bring about its gratification. Many of them feel that the works of the best American artists are unattainable and not meant for them. It is our aim to help break down this feeling that one's pocketbook would not permit of the purchase of an original picture by a good American artist.

Right enough, a short purse will not carry far toward possession of true art. But it does seem especially appropriate that a group of Philadelphians should provide the material for amending the epigram contributed by one of its newspapers, "Art is long but a lot of artists are short."

ONCE upon a time a paving contractor who lived in the great town of Cleveland by the waters of Erie dreamed of a sunken island in the Pacific. Now, the dream was so vivid that he took much thought of journeying to this lost land. He decided to search for it. By ship and plane he traveled up and down the shore line of the western sea. At last he saw evidence that confirmed his faith. Far below the cockpit of his plane he beheld a shoal. It was just off the coast of Mexico. It conformed to his vision of the sunken island.

He wondered whether the island could



What Price Income!

"How Much Should I Lay Aside for Life Insurance?"

A question more frequently asked the life underwriter than any other. What proportion of his income can a young man put into life insurance premiums, especially if he is married?

CONCRETE FACTS SPEAK LOUDER THAN WORDS. Here is the actual program of a young man, 28, married, with two children.

His income is \$5,000 a year. What would you consider a fair proportion of this income to lay aside for life insurance? Ten percent?

Actually in this case the annual premiums amount to about \$600, leaving a balance of \$4,400 of the income for the support of the family; an easy proposition for ambitious young parents looking to the future.

What do THEY get for THEIR \$600?

Total life insurance of \$30,000,—\$5,000 to be paid in cash in case of the husband's death, the rest so arranged in a trust settlement as to produce \$100 a month income for the wife during her lifetime, the remaining principal to go to the children after her death.

Do you not think this young man has done well for himself and his family?

Surely he has laid out his life very successfully, with a fair income for present living expenses and an estate of \$30,000 to leave for his family.

In the meantime cash value accumulates and dividend returns are paid.

He might struggle for years to obtain such a result in other ways, and then fail of his goal, in the meantime missing the best there is in life including the contented enjoyment of his income and his family.

How near can YOU get to this? Let us help you work it out.

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be reclaimed by building a sea wall around it. He commissioned Capt. L. B. Lockwood to find him a ship suited to exploration. Captain Lockwood laid hold of the *Peary*, the venerable vehicle of MacMillan's Arctic thrust in 1925. The *Peary* has sailed from Boston to make the dream come true. And that is the fairy-like introduction to the adventure begun by Matthew F. Bramley, wealthy in this world's goods, but a richer man for his exhilarating asset of romance. And be it indebted to Jason or Bramley, Golden Fleece or sunken island, the world is always ready to acknowledge a respite from humdrum, and to acclaim high adventure with applauding attention.

NO one is likely to find novelty in present talk of the passing of the milk bottle. Milk bottles have always passed in the night, and have made considerable ado about it, as a world of light sleepers can readily testify. But questions of whether the bottle can hold its own is now agitated by a competitor—an airtight container made of paraffined spruce fiber. One dairy company in New York is serving 50,000 families with the new package.

If the public takes to the cardboard substitute the company will discontinue delivery by bottle. That decision would signify more than the knell of glassware. It would end the 5-cent deposit, a matter of no great regret, perhaps, except to the amateur collectors of bottles. More revolutionary would be the doom of the milk wagon. And that eventuality is made to seem quite plausible with provision for a booth to be attached to a motorcycle. This device will carry 360 quarts of milk, 60 more than the average glass load, the makers say.

How long the new containers will stand abuse will not be known for some time. For their part, bottles have asked no quarter of the world, and usually they have delivered the milk. But anything that can keep milk fresh and usable for five weeks, as the "seal-cones" are said to do, must have more backbone than was revealed by the first paper drinking cups. Like the metal tokens of an earlier and wetter era, they were "good for one drink and non-transferable."

PEKING is no more the name of China's capital. The Nationalist Government says so, and that ought to make it official and final. The new spelling makes it Peiping, which should be universally welcomed if it is to go with times of peace.

LONGFELLOW and the state of New York have both embalmed the fame of excelsior as the stuff for making mottoes. More prosaic is its contemporary notice by the Department of Commerce. At the last census of manufactures made in 1927, the output of excelsior was valued at \$4,821,098. Two years earlier, the appraisal was \$4,901,085.

Comment on this comparison could sheer off in almost any direction, yet none could be more appropriate than the mere

exclamation of "Excelsior!" As far as the shrinkage in value relates to use of this product, the manufacturers have small reason for any belief that the public has come to its own perversion of a famous advertising line, "no motto can touch you."

WHEN the President of the Silk Association of America asks, "What should be done to save the silk industry from overproduction of merchandise," it is apparent enough that something is wrong. And the outsider is not left to flounder for the reason, for Mr. Schniewind explains directly that "the problem of the silk industry is not selling what we can produce, but producing what we can sell."

Not a new complication, of course, but in this case, it has moved the president to offer a severe remedy—"that we take immediate steps to reduce our production by putting our plants on a five-months basis during the next six months." And then he warns "do not delude yourselves with talk of cut in hours or looms only. You sell yardage and you must control yardage. So let your control programs be in terms of fewer yards. In other words, demand must govern production, production cannot dictate demand, not in this market at any rate."

Meantime, the makers of cotton fabrics continue to seek their salvation through the intensive cultivation of markets. Latest of the new uses developed is the marking of airways, airports, and cities and towns by means of cloth signs. The possibilities of expanding the appeal of old lines are effectively revealed in the aesthetic retouching of the overall and heavy-ribbed union suit.

Rows of red stitching on the outer edge of the legs of overalls will help to brighten



their familiar local color, and the introduction of "salmons" and "blues" provides a distinctive change from the staple hues of union suits. Anything that will keep men from being put in the drab category of "randoms" is worth trying and not to be taken lightly.

ALONG with all the aerial wonders revealed by aviation at the celebration of its twenty-fifth birthday is the equally notable development of its sustaining groundwork. It is evident that the design and equipment of the modern airport does provide opportunity for constructive ingenuity and business acumen. In the present stage of airport design are included many improvements which would have seemed visionary to aviators in pre-war days.

Administration buildings are now pro-

—LITTLE DRAMAS IN THE LIFE OF A GREAT NEWSPAPER SYSTEM—

"So you won't give us her name, huh?
... *what a story we'll make out of this!*"



PAINTED FOR SCRIPPS-HOWARD NEWSPAPERS BY HERBERT M. STOOFS

A young business man took a young woman for an afternoon's ride in his airplane. On returning to the field he made a bad landing and was slightly injured. A friendly witness whisked the girl away in a car before the reporters got to the scene. The pilot gave them the facts, but withheld the name of his companion. And then the heckling began...

"Come clear now, who was she? ... No use trying to cover up, give us the story ... You'd better talk, or we'll draw our own

conclusions ... and maybe the story won't be so pretty!" The Scripps-Howard paper, together with other reputable papers, printed the harmless facts in a short news item. But the story appeared elsewhere teeming with spicy details, packed with sly suggestions ... "Love Nest in Sky ... Mystery Romance in the Clouds" ... etc., etc.

The Scripps-Howard papers print the news ... all the news. But they do not inflate ordinary news items to give them a ficti-

tious and sensational value. They are careful, as a matter of fairness, to give the other fellow the benefit of the doubt. They draw a line between gossip and news, between scandal and news, between obscenity and news.

If a man commits a misdeed, and a SCRIPPS-HOWARD Newspaper has the facts, it prints them. But it will not let imagination take the place of fact. One of the earliest and most rigid rules of E. W. Scripps was, "Fire the liar." It is still in force.



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CLEVELAND ... *Press* WASHINGTON ... *News* DENVER *Rocky Mt. News* BIRMINGHAM ... *Post* FORT WORTH ... *Press* EL PASO ... *Post*
BALTIMORE ... *Post* CINCINNATI ... *Post* TOLEDO ... *News-Bee* MEMPHIS *Press-Scimitar* OKLAHOMA CITY *News* SAN DIEGO ... *Sun*
PITTSBURGH ... *Press* COVINGTON, Kentucky *Post* COLUMBUS ... *Citizen* HOUSTON ... *Press* EVANSVILLE ... *Press* TERRE HAUTE ... *Post*
—Kentucky Edition of Cincinnati *Post* ALBUQUERQUE ... *New Mexico State Tribune*

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Two facts have contributed to build this acceptance: the first is the almost universal knowledge that health and comfort depend on hygienic precautions, the second is the almost equally widespread knowledge that Gold Strand products are made entirely within our own organization, from the mining of the ore to the weaving of the cloth.

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posed in magnitude to equal railroad terminals. Lighting equipment, "air weather" bureaus, permanent fire-resistant hangars, storage and repair buildings, and paved runways are only a few of the features which now have become commonplace appointments. None of them was standard ten years ago. But they constitute only the physical attributes of progress. More intangible, but directly contributory to the advancement of aviation, is the enlightened public spirit that is voting millions of dollars for airport construction.

Nearly \$8,500,000 was voted in that behalf at the election on November 6. Eleven cities or counties passed bond issue proposals ranging from the \$5,000,000 voted by Detroit to the \$25,000 issue approved by the citizens of Albany, Oregon. It is significant that in most of the communities where similar proposals were defeated, failure was traceable to circumstances which had nothing to do with the public attitude toward aviation. In Chicago, for example, where every administration bond issue presented at the last two elections was defeated, the item of \$450,000 for the development of the airport received the highest vote among all the defeated projects.

During the last year airport appropriations or bond issues amounting to more than \$21,000,000 have been passed. The public utility character of an airport is obvious enough in a popular, if not a legal sense. Meanwhile, it is becoming increasingly apparent that, as the Supreme Court of Arizona declared in a case involving the validity of bonds issued for the construction of a municipal ice plant, "the question of what is a 'public purpose' is a changing question, changing to suit industrial inventions and developments, and to meet new social conditions."

SCIENCE has done another bit of sleight-of-hand in turning the sweet nature of sugar cane into the explosive temper of dynamite. This conversion is a secondary process following the extraction of the juice. First, the fiber or bagasse is macerated into pulp for use in making insulating board. While this maceration is in progress, the pith is recovered from the fiber. All this takes place at Marrero, La., in the plant of the Celotex Company. The pith is profitably sold as a base for dynamite and other explosives.

Even if this item makes no great detonation in the news, it does help to shatter pessimistic notions about our industrial prodigality. No business thrifty enough to utilize the by-product of a by-product is ever likely to go to the poorhouse. But if it did, it would turn that decadent institution to profitable account.

NOT one of the reviews of world progress in 1928 mentions the movement to abolish after-dinner speaking. If the omission is to be condoned it must be on the ground that so conspicuous an innovation provides its own emphasis for attention.

Certainly the London experiment of

throwing the speeches on a screen was nothing less than epochal, and a host of Americans will side with the London *Morning Post* in rating it "the first step toward the repression of a nuisance which, in extreme cases, may interfere with the process of digesting a decent dinner."

As every business man well knows, "the vast majority of these performers are tiresome to their hearers and a tribulation to themselves." They are to be endured, rather than enjoyed, the *Post* feels, for there is no deviation from

their familiar platitudes—the plea of being unaccustomed to public speaking, the assertion that they never expected to be called on, the way they produce truisms and horse-chestnuts with the air of a conjurer eliciting bouquets and rabbits from a top hat, and their pumped up perorations in what Dr. Johnson called the 'tumid lapidary' style—bring an average audience to the verge of tears.

Of the benefits from the screening of after-dinner discourses, the *Post* foresees the "greatest good for the greatest number," and says

Having to express himself in captions, the enunciator of post-prandial sentiments will have to cultivate a terse and epigrammatic style. If he indulges in pompous and ponderous reflections . . . a glance at the screen will be enough; we shall take him as read, and get on with our private conversations.

Few will contend against the conclusion that we have all suffered from "a sort of pins and needles in the soul" as the speakers have acted on their special perversion of a familiar line,

"To 'er' is human, to forget divine."

WHEN a business man has attained to ranking as a "captain of industry," it might be thought that leadership in other fields would be taken for granted. But perhaps it is the very eminence of that one peak of his nature that invites Mary Borden to explore the lower levels for the London *Spectator*. Her telescope reveals no hero—"he turns to fat quickly and goes bald, and at fifty his women find him a bore, for he is ignorant of everything except business, and they are not interested in his business."

Business drains him of his strength and imagination, she finds, and it is only a withered husk that returns home in the evening "to find his wife fresh as a daisy starting out for the night." Prosaic and stodgy, he can find no enjoyment in life after office hours without invoking the mirages contrived by cocktails. The tragedy of such American men, as Miss Borden sees them, is that "they are never allowed to go to bed. They are the slaves of wives who are utterly bored with their company yet will not dispense with it."

In upbringing and education, he cuts no better figure. "He has been taught to despise the arts, to have a contempt for all such graces as foreign languages, music, literature, painting."

Sorry as he is made to appear in this catalog of assigned deficiencies, there is

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yet something epic in his role. Fateful, instrumental, a conductor for the throbbing currents of destiny he is disclosed as the creator of a machine too vast, too monstrous for his control. It is as though he were fighting for the right to live in a world no less bewildering because of his own making. "His position is precarious, dramatic, extremely significant. He should be watched by every one interested in the future of mankind, for the scaffolding of the world of the future is reared against the sky of America, and a rough map of it is spread over that continent, and its voice is pounding and screaming out the news of what is to come to pass on the earth."

It is temptingly easy to draw the conventional "captain of industry" as a "nervous dyspeptic, and an old man at fifty, but a millionaire" lost to wife, to children, and to friends in the crushing bondage of big business. The picture is unflattering, but it does a certain service in suggesting the exactions that great enterprises inevitably impose on their managers. Nearer to general acceptance would come Miss Borden's assertion that "the future of the human race is being tried out in America," for "there you have the clash of forces that have been let loose on the earth by modern invention and that are slowly bringing about the same transformation of life and the same problem in every country in Europe."

Prophets we have indulged, or frankly doubted, in the belief that, at the least, their honor would be secure abroad. Our business men, it seems, will find small profit in exchanging their domestic fame for a British character reference.

NO rarer import is likely to turn up on our piers than "the old slater from Stow-on-the-Wold" brought from England by Edsel Ford for the express purpose of supervising the slating of Mr. Ford's new house near Detroit. Mr. Gooding, "the old slater," tells some of his experiences in these States through the *Architects Journal* of London. His story moved "Kappa" to rate it in the *Nation* and *Athenaeum* of London "one of the



best things I have seen in the magazines." Of the importation of Mr. Gooding by Mr. Ford, "the young man who has been brightly but too loosely described as the American Prince of Wales," Kappa says,

It seems that young Mr. Ford is building himself a house near Detroit. He wanted to recreate over there one of the gracious old stone-roofed dwellings that he had, doubtless, admired in Old England. Instead of putting up the usual "quaint" and horrible imitation, Mr. Ford determined to have the

genuine article. Accordingly he sent over for thousands of stone slates from Gloucestershire, but it was found that America could not supply a foreman with the craftsman's knowledge of how they should be put on. So Mr. Ford imported for the job Mr. Gooding . . . who gives a delightful account of his adventures in command of a cosmopolitan gang of hundred per cent Americans, earning \$1.25 an hour, plus 75 cents for petrol.

And for answer to "what of it?" there is this proffered light and leading,

This little story . . . illustrates one danger that may attend upon standardization carried to its extreme, namely, the dying out of the fine old crafts, the fruit of individuality and tradition. When America needs the workman-artist, she may have to buy him from abroad, as she does Old Masters. At any rate it is instructive to find a high prophet of standardization sending to poor old effete England when work is to be done requiring something beyond the reach of the machine—the special touch of the craftsman.

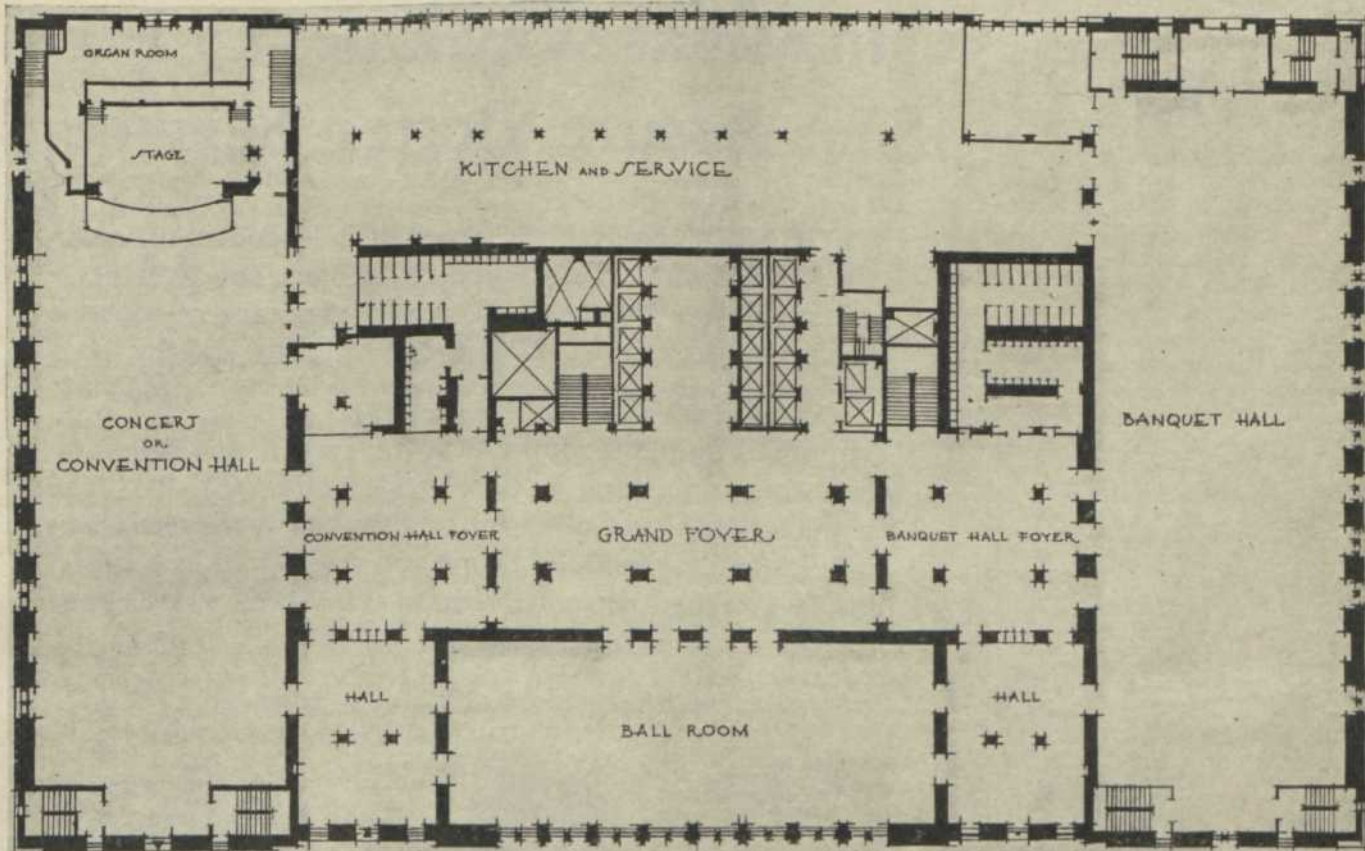
WE can almost hear the *Liverpool Post* mumbling under its breath as it appraises our powers of racial assimilation. To the *Post*, our immigration restrictions constitute "a bold experiment," but

of course, if nothing untoward occurs, it is reasonable to expect that the general level of economic well-being, in the near future, will be higher than it has ever been. On the other hand, such a degree of material progress pre-supposes a unifying of American racial elements to an extent of which we have as yet no experience. If the embargo on immigration merely helped to intensify racialism internally, probably higher wages all around could not long preserve the Republic from crippling troubles.

Possibly it's our sporting blood that protects us from the blight of civil deformities. Doesn't the *Post* know anything about the inter-raciality of our football? Hasn't it ever heard of the mid-western warriors who are making collegiate history right in the very center of the "melting pot"? Warasaki and Hojnaches of Indiana; Raskowski, Reboulet, and Buschennsess and Ujhelyi of Ohio State; Vandenberg and Christiansen of Northwestern; Gallserath of Purdue; Arendesee, Pulkrabek, Ukkelberg, Nagurski, and Kahelka of Minnesota; Freudenthal of Chicago.

And as for the cosmopolitan quality of our baseball, is the *Post* dead to all its great names? The Gehrigs, the Klings, the Wagners, the Lajoies, the Lindstroms, the Cohens, and the Meusels? Is there no thought of Lazzeri, Manfredi, Riconda, Mellilo, and Crossetti? Who could overlook Johnny Grabowski or Pete Jablonowski?

What ails the old *Post*, anyhow? Why, one look at our Lithuanian newspapers would put an end to all doubt with their proud acclaim of the pitching exploits of Joe Genewich. And isn't their ruddy headline, "Beisboles Sporte," the most persuasive pointer to show that a melting pot can simmer as sweet by any other name?

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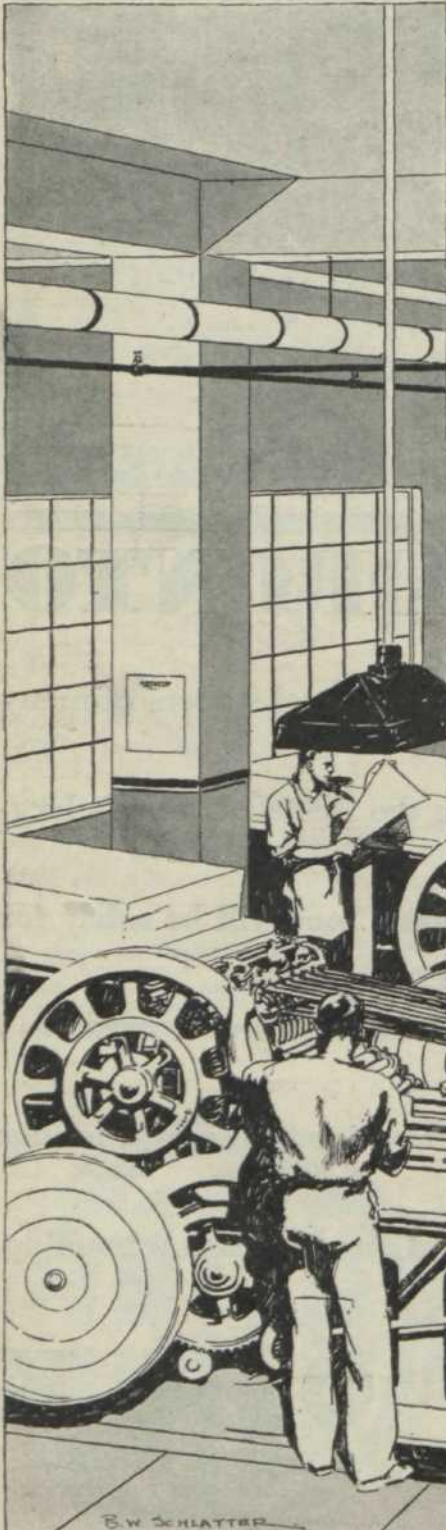
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A typical recent sale was of one automatic press priced at \$1,790 to the B..... Modern Press. The purchaser gave part cash and notes for the balance maturing at the rate of about \$60.00 monthly. By having C.I.T. pass on credits, discount the paper, and follow through on collections, the distributor is assured of expert service while keeping down his overhead expenses.



What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

THE advent of Spring witnesses no letdown in prosperity. In spite of the shadows of speculative fears and banking warnings, business continues on a high level of activity, with the consumer demand for a variety of products seemingly insatiable.

Seasonal expansion of commercial activities heightens the demand for credit, and will test more precisely the basis for the worries of the Federal Reserve authorities lest excessive absorption of credit by Wall Street brokers may react unfavorably on the business situation. Runaway markets simply build up unsound situations, which inevitably invite downward corrective movements.

Accordingly, even the sane optimists must recognize that in seeking to apply brakes Federal Reserve authorities are in reality acting to preserve good times.

The Federal Reserve Board has wisely pointed out that, though interested in the use of bank credit, it does not intend to set itself up as an arbiter of security prices. Prices reflect not only economic growth and prospects, but also the hopes and fears of the popular mind. Any attempt artificially to set boundaries for such free expression of financial opinion is likely to cause dangerous economic neurosis.

THE members of the "thereought-to-be-a-law" school in Congress have naively introduced bills to correct the evils of speculative extravagance. But the warnings of the Federal Reserve against Wall Street excesses were not intended as a plea for new legislation.

Following an epidemic of new bills, the Federal Reserve Board, in a message to the Senate, left no doubt of its views. Responding to a Senate resolution asking for suggestions for legislation to check the excessive use of credit in stock market speculation, the Federal Reserve Board said:

"The Board begs leave to call the attention of the Senate to the fact that the purport and language of its statement do not agree with those in the preamble of the Senate resolution. The Board's statement concerned itself with credit conditions. It disclaimed both the authority and the desire 'to set itself up as an arbiter of security speculation or values.' That is still the Board's position.

"At the time of the issuance of its statement it was the belief of the Board that it could count upon the cooperation not only of the Federal

Reserve Banks but of leading member banks everywhere throughout the country in making successful an effort to bring about an orderly readjustment of the credit situation, and the Board has been confirmed in this belief by what has since taken place.

"This whole matter is engaging the earnest attention and efforts of the Federal Reserve Board. If it should develop that the Board, through exercise of the powers granted under the provisions of the Federal Reserve Act, or through co-operation with the Federal Reserve and member banks, should be unable to bring about a solution of the problem which has awakened the concern alike of the Senate, the Federal Reserve Board, and the general body of public opinion, it will be glad to give consideration to the possibilities of remedy by way of legislation."



KEYSTONE VIEW

THE National Bank of Commerce has in its files John S. Alexander's application for a job paying \$4 a week. He got the place, in 1885, at the age of 20. Now, with the \$2,000,000,000 merger of the Bank of Commerce and the Guaranty Trust Company, Alexander becomes chairman of the board of the largest bank in America

IF speculative excesses, like the drink evil, are not to be cured readily by legislation, then there is obviously an obligation on each individual to accept full responsibility for his own conduct.

Even the New York Stock Exchange, which profits most from the speculative proclivities of the public, recognizes the hazards, and is on record against speculation by those who are financially or mentally unfit for the risks involved. The late Seymour Cromwell, former president of the New York Stock Exchange, and his successor, E. H. H. Simmons have frequently stated this policy publicly.

Jason Westerfield, authorized mouthpiece for the Stock Exchange, in a recent speech, said:

"Is it not clear that, in the present day economic order of things, we must have two kinds of funds, speculative and investment? And is it not equally

clear that the speculative fund is in the hands of the qualified few and the investment fund in the hands of the many?

"It would be idle to deny that there are many and serious evils to be found in the wake of speculation, and that the greatest evil follows from the latter class engaging in it to their own and to society's inevitable loss.

"There is no primrose path to wealth in speculative Wall Street—success there is only won by hard work and trained minds. It must be based on established acts and not on theory. In spite of these hard facts established by the settled teachings of over a century's experience a multitude of innocents follow the will-o'-the-wisp of a mythical golden Wall Street to their inevitable destruction. . . .

"Now, just what does the Exchange do to lessen speculation by persons not qualified to engage in it? With the exception of perhaps the purchase by the general public of new securities which are inherently highly speculative, one of the worst vices of speculation is overtrading. The Stock Exchange has instituted an effective check against this evil by requiring its members to see that their customers carry a proper and adequate margin.

"And in still another way the Exchange exerts its influence to lessen speculation by persons not qualified to engage in it. A strict supervision is maintained over the advertising of its members so that it shall not be of a character calculated to entice the unfit into the market. Members' advertising copy



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is conspicuous for its businesslike directness and freedom from extravagant claims about an unknown and unknowable future that typifies the come-on broker and promoter."

Speculation may be compared to the building of airplanes. The new vehicles are perfectly legitimate, but only trained pilots should assume the hazard of taking them up from the ground. Use of the machinery of speculation by the ill informed and unqualified is likewise fraught with danger, irrespective of temporary gains.

THE ease of speculative profits during bull markets raises the question of business incentives and ideals. There should be more to legitimate business than mere money making. If there is not, then the realistic minded will close down shop, and seek to amass an income from stock speculating instead. To some extent, this has taken place already, but fortunately it has not become general. If ever it did, the economic primacy of America would soon be seized by another nation in which the habit of thrift, and enterprise had not been lost.

Other incentives besides money making are required to bring to business the best energies of men. Ideals of social service, aims for excellence in craftsmanship, the instinct of constructivity—these are among the incentives which keep men and women busily at work—even after financial pressure has been relaxed.

In the Roman Empire, the Emperor Augustus was called upon to pass laws to check excessive bull operations. But he wisely preferred to deal with causes and not with symptoms in quieting down the speculative craze. He introduced the quietude that comes with peace, and sought by precept to remove the inducement to enrich oneself and to spend illegally and unprofitably. Moreover, he revived a sense of duty toward the state. W. Ward Fowler, an authority on the period has revealed:

"It is true that even under the Empire great fortunes were made and lost, but the gambling spirit, the wild recklessness in monetary dealings, are not met with again. The Roman Forum ceased to be insane, and Italy became once more the home of much happy and useful country life."

In Germany in 1896 a series of laws were passed to curb speculation. Failing to do much good and causing considerable damage, the main provisions of the law were repealed. The chief American scholar of this experiment, the late Henry Crosby Emery, of Yale University, offered the subjoined comment:

"The first evident conclusion is that it is extremely difficult to stop speculative transactions by legislation. As long as men have the right to own and exchange property, as long as the value of such property fluctuates, the effort will be made to gain an advantage from such fluctuations.

"If the attempt is made to prescribe certain forms as illegal new and evasive forms will be discovered. If the lawmaker is resolved to reach transactions under

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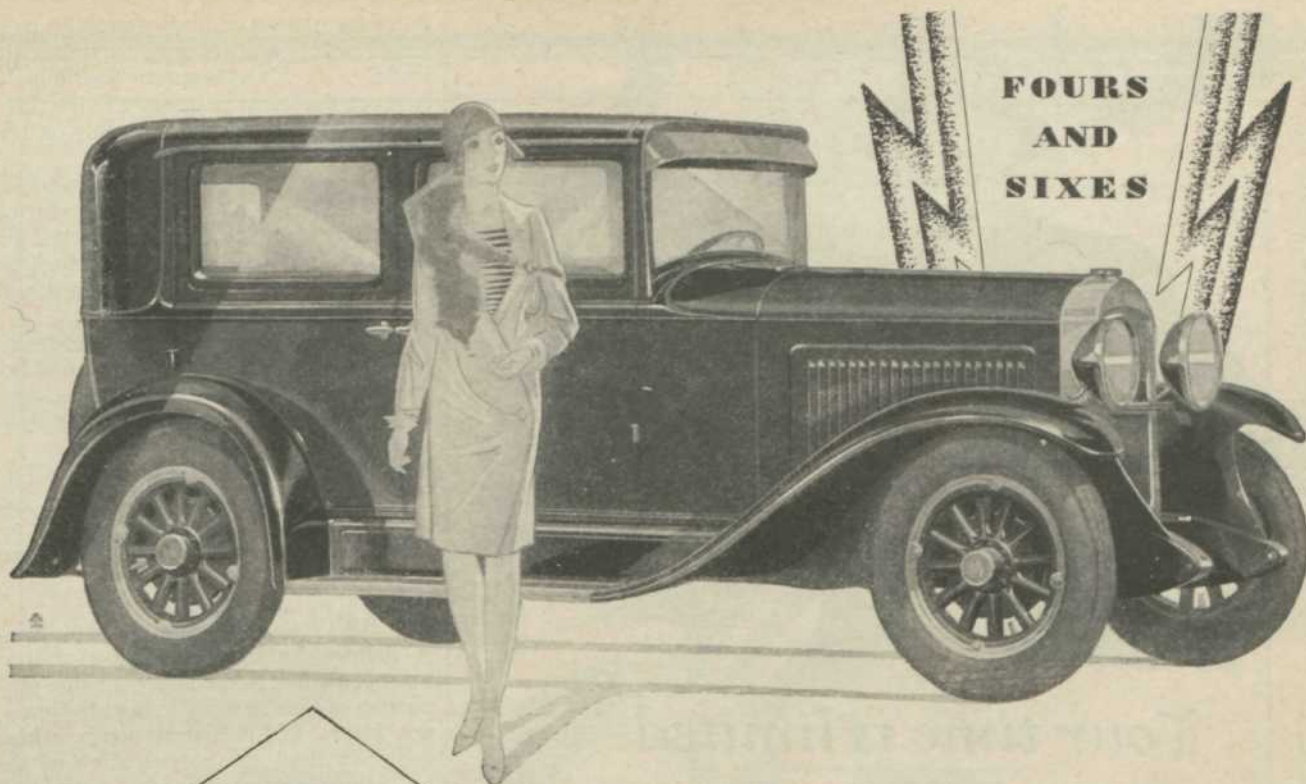
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A 1928 Nation's Business

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NATION'S BUSINESS - Washington, D. C.

every form, he is obliged to prohibit contracts which are essential to legitimate trade. . . . To attempt to discriminate between the forms of contract in the cases of trade and speculation is simply to irritate and not to cure.

"The prohibiting of short selling took away the factor of balance and allowed the full influence to go on unchecked till the inevitable crash came. The effect on prices was greatly to increase the size of price fluctuations.

"Crises became more severe because inflation went to greater extremes, and because speculation became more reckless. Recklessness fed on wide price fluctuations."

Dr. Emery's conclusion was, "The worst evils of the stock speculation can certainly be better done away with by reform from within than by legislation from without."

PUBLIC taste continues to prefer common stocks for investment as well as for speculation. Accordingly, a rising proportion of new security issues are shares, not bonds. Old-fashioned bonds, which definitely limit the participation of the holder in the prosperity of an enterprise, are relatively unwanted. Accordingly, investment bankers, desiring to give the public what it wants, are adding bait to new bond issues in the form of stock purchase warrants and convertible features, which in a sense enable the investor to eat his cake and still have it.

Sensing changing vogues, bond houses continue to add stock departments or definitely to switch from the bond to the stock business.

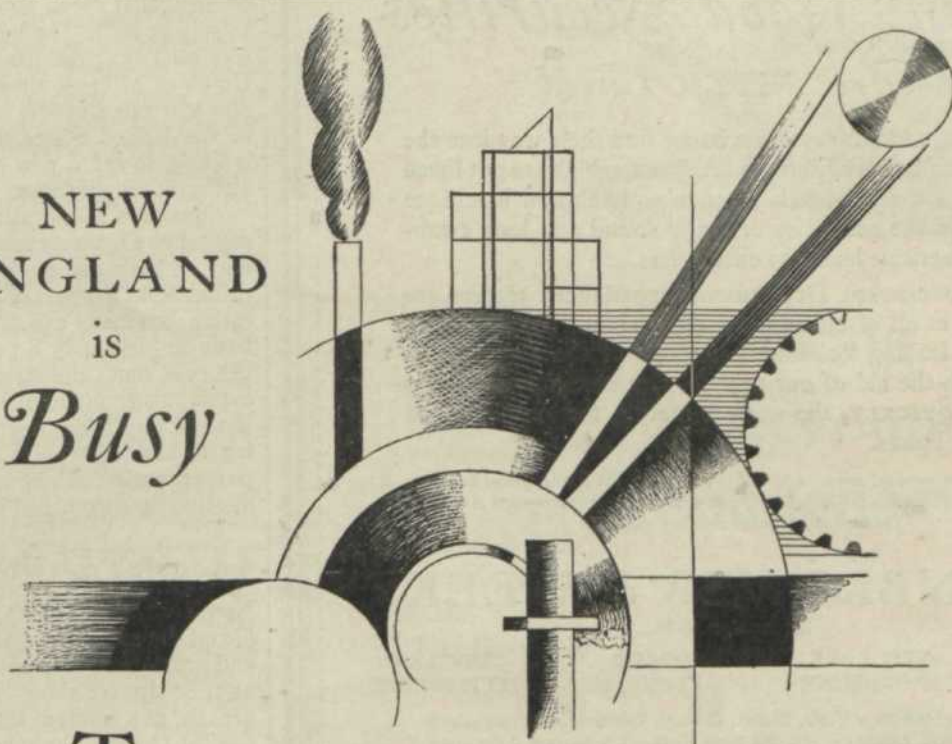
AND yet Edgar Lawrence Smith, whose book, "Common Stocks as a Long Term Investment," helped to stimulate the present movement, concedes that bonds have a definite place in an investment portfolio. Moreover, he recognizes that the timing of common stock purchases has a definite bearing on results. In an investment trust, which he heads, half of the funds as of December 31 last were in cash. Before the midwinter reaction, the trust had cut down its holdings of common stocks, it is understood, to one third of its resources. High call money rates, put a premium on the conservatism which induces some investment trusts occasionally to switch from stocks to cash to assure the safety of principal of the fund.

THE new public preference for stocks has induced the directors of the strongly entrenched United States Steel Corporation to take advantage of existing favorable conditions to get out of debt. In substituting shares, which make no definite promises, for bonds, which promise the payment of interest regularly and also the repayment of principal at maturity, the corporation, already strong, enormously increases its capacity to weather economic storms.

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cumstances can their property be wrested from them. The advantages of the recapitalization of the United States Steel Corporation are somewhat academic and theoretical, rather than immediate and practical. The new set-up challenges the older doctrine that it was all right permanently to stay in debt. The new attitude, which obviously represents the view of the House of Morgan, since J. P. Morgan is now chairman of the board of directors of the United States Steel Corporation, is likely to set a new vogue among the strongest corporations.

Nowadays corporations can get new capital on singularly favorable terms. Not only do shares of stock entail no binding promises on the part of the issuing corporation, but many are actually selling on a basis to yield only 3 per cent. Never in the past could the strong companies get capital by giving so little in return. What the new buyers are really getting, according to their viewpoint, is a franchise to participate in the long term future profits of strongly entrenched big business.

H. J. KENNER, who as general manager of the Better Business Bureau of New York City in effect gives a card index file on the methods and morals of brokers and promoters, reports that the backbone of the "tipster sheet" racket has been broken, as a result of the criminal conviction of George Graham Rice and other leading exponents of this school.

"The versatile 'blue sky' operator, however," Mr. Kenner says, "is no sooner off with the old than he is on with the new. Many of his ilk have turned to another system which they believe is within the law. It is a simple process and profitable—if it works.

"Adopting a high-sounding 'advisory service' title, or other disarming name, the vendor sends to his old lists of credulous speculators recommendations to purchase a certain listed stock—one dealt in on a reputable stock exchange. His letters and literature are dignified; his language is conservative. The success of his effort depends upon the number of people who blindly follow his tips.

"Before sending out his recommendation, the operator obtains an option on or secures a position in a large block of the stock he recommends—a security having small distribution. When the market prices go up, as usually happens from the concerted buying that results from his tip, the operator unloads. When the artificial stimulus of his 'advice' is withdrawn the price of the stock falls to a level governed by the normal law of supply and demand and often the operator makes money selling it on the way down.

"In his messages to his credulous followers he then points to his alleged success in predicting the rise and he launches another suggestion and repeats the process. He is silent as to the price to which the security receded and the speculator who follows the suggestion usually blames himself for not having taken his profit when the price was up."

The fact that questionable operators

are pretending to be tied up with legitimate securities shows that even the average sucker is becoming more sophisticated.

IN spite of George Graham Rice's recent conviction for using the mails to defraud and of conspiring with others to do so, he is not allowing personal troubles to interfere with his conception of service to outside investors. While out on bail, he continues to send advice to those on his mailing lists. It is to be wondered whether even actual incarceration, if it should be ordered, would stay the pen of this enterprising tipster and operator.

WHEN J. C. Penney recognized that his stores were developing into a great nation-wide institution, he became introspective, and began to examine his qualifications. After this self-inventory, he set out to correct deficiencies of his early education, and for an extended period devoted half of each day to the study of English and other subjects.

BUSINESS attracts numerous types, and no easy generalizations about business men is likely to be true. However, attendance of numerous trade conventions has impressed me with paucity of gifted speakers among leading executives. Too many of them read papers in wooden style. When you meet the same men in private, they are likely to be alert, interesting personalities—full of ideas and of salty experiences. If they would get up on the platform and disclose those qualities, auditors, in my opinion, would be far more impressed.

Business conventions now suffer from ghost writing of speeches. The literary ghosts neither express themselves nor their clients. With the tendency of business to select more scholarly types for their chief executives—men like W. S. Gifford, president of the American Telephone & Telegraph Company; Waddill Catchings, president of the Goldman Sachs Trading and Financing Corporation; Clarence Woolley, chairman of the American Radiator Company; and Owen D. Young, chairman of the General Electric Company and of the Radio Corporation of America, a new intellectual quality is likely to be injected into business oratory.

ONE consideration which sustains the Wall Street bulls, despite temporary interludes of liquidation and fright, is the recognition that the ratio of reserves of the Federal Reserve System are still high, standing around 70 per cent early in March, compared with around 40 per cent during the inflation of 1920. In 1920-21, the System was faced with the danger of a decline in reserves below the legal minimum. Today no such hazard is imminent. The present policy is pursued by choice, not necessity. The bulls have been trading on that difference.

TWO instances hardly make a trend, yet the fact is noteworthy that Mining Engineer Herbert C. Hoover became



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BRUSSELS

President of the United States about the time Mining Engineer William C. Potter was picked for the presidency of the largest private banking combine in the country, resulting from the merger of the Guaranty Trust Company and the National Bank of Commerce. Mr. Potter was born in Chicago on October 16, 1874, the son of Edwin A. Potter, who for many years was president of the American Trust & Savings Bank, which was later absorbed by the Continental & Commercial group.

Although reared in a banking atmosphere, Mr. Potter's early interest was along engineering lines. He was graduated from the Massachusetts Institute of Technology in 1897 with a degree of Bachelor of Science in Mining Engineering. For fifteen years, he pursued his profession of mine operator and administrator in New Mexico, Colorado and Montana, until he became the general manager of the Guggenheim Exploration Company in Mexico and the Southwest.

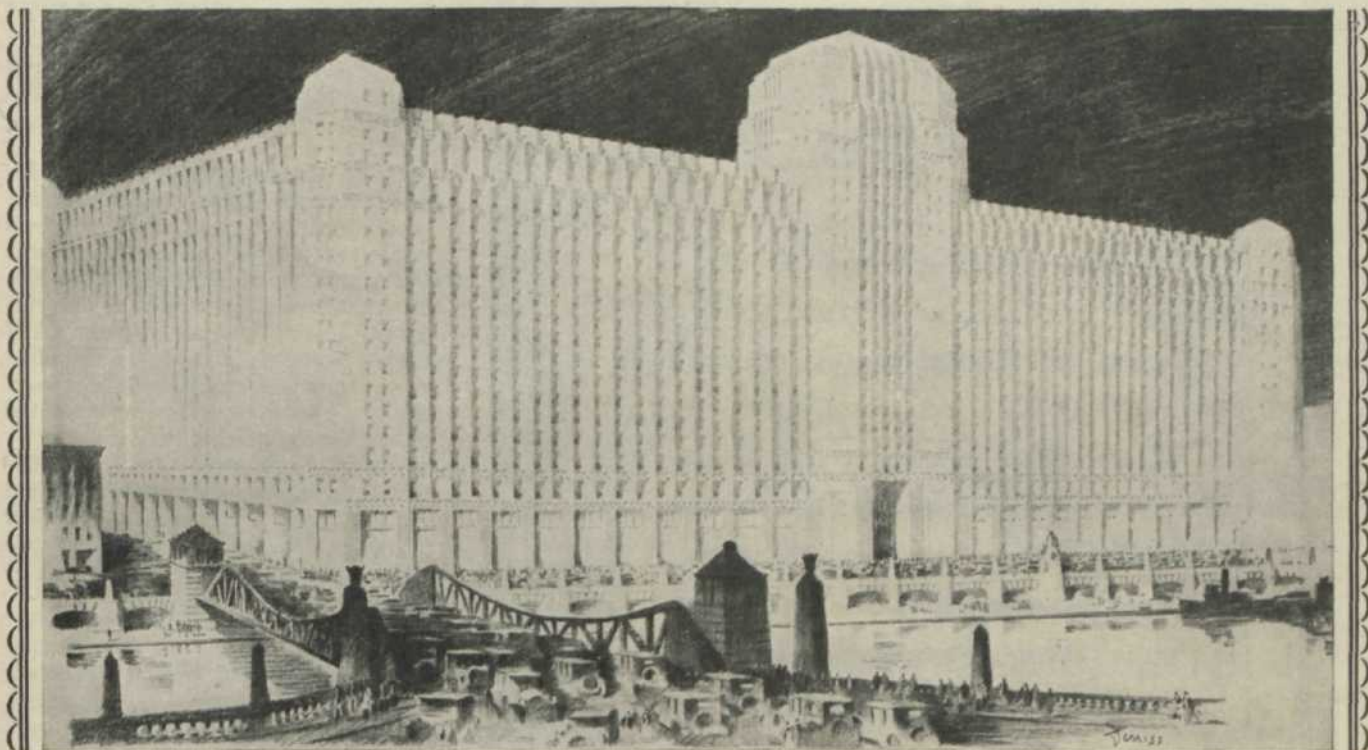
In 1911 he became president of the Intercontinental Rubber Company and in 1912 was elected vice president of the Guaranty Trust Company, where he remained for four years. Then he resigned to become a partner of Guggenheim Brothers, continuing to be a director of the Guaranty Trust Company and a member of the executive committee. In January, 1921, he rejoined the Guaranty as chairman of the board of directors, succeeding the late Alexander J. Hemphill. The following Autumn he swapped jobs with Charles H. Sabin, who has been president of the company.

FINANCE companies, which finance consumption on the instalment plan, are attaining increased respectability. Last year, Dr. E. R. A. Seligman, economist of Columbia University, indorsed them in principle, provided abuses were eliminated. Now some of the leading conservative bankers of Wall Street are lending their names to newly organized finance companies.

For example, in the recent launching of the Aviation Credit Corporation, formed to provide facilities for financing the sales of aircraft, motors and accessories on a time-payment plan, the following were among the new board of directors: George W. Davison, president of the Central Union Trust Company, of New York; Arthur W. Loasby, president of the Equitable Trust Company of New York; J. P. Butler, president, Canal Bank & Trust Company, of New Orleans; Allan Forbes, president of the State Street Trust Company, Boston; Walter W. Smith, president of the First National Bank, of St. Louis, and such investment bankers as Richard F. Hoyt, partner of Hayden, Stone & Company; Walter S. Marvin, of Hemphill, Noyes & Company, and J. Cheever Cowdin of Blair & Company.

Irrespective of technicalities, the instalment plan has of course enormously stimulated the consumption of enjoyable things. The range of what the average

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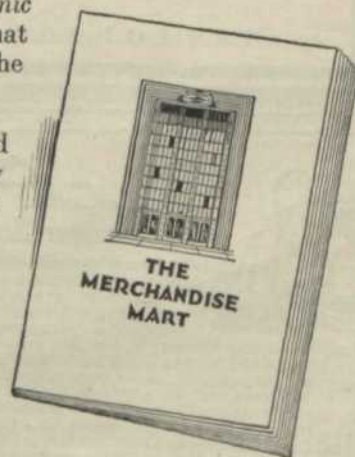
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family could afford has been vastly augmented. Buying out of income instead of out of accumulated capital has pushed forward the time for the enjoyment and use of articles of utility and satisfaction.

If the purpose of the political economy is to get goods to flow swiftly from maker to user, then the instalment plan has been a stimulant of enormous value. It has not only hastened the time of purchase, but where wisely employed has also increased the efficiency and productivity of the consumer during the period of meeting payments.

Of late, numerous, big companies, including General Electric and Pierce Arrow Corporation have given up their own finance companies and made contacts with outside companies. The General Motors Acceptance Corporation is the outstanding accomplishment in the field of companies run as adjuncts to manufacturing companies, and its success in part reflects the hugeness and diversity of the line of the parent company.

Gradually, the grave abuses in instalment financing are being corrected, and the business is drifting to the stronger and better managed companies. It is getting out of the hands of wildcats.

Alaskans Become Business Men

AFTER some years of effort to teach as many natives of Alaska as possible the rudiments of business methods and the practical conduct of business organizations for themselves, the Bureau of Education of the Department of the Interior is convinced that the Alaskan has become a pretty good business man.

There are now 18 cooperative stores in the territory owned and managed by natives. They handle furs, ivory, general merchandise, reindeer meat and other items such as those to be found in many general stores in the States. In some cases there are stores managed entirely by natives; in others the Bureau often exercises an advisory guidance.

The advancement of the Alaskan, according to officials, has been remarkable. Of the 18 stores and reindeer companies in the territory, three have been established in the last few years. Most of the units are expanding slowly and gradually. They have been particularly successful when established near reindeer herds and a greater expansion is expected as the reindeer "industry" grows.

All of the stores with one exception, which is an incorporated concern, are stock companies. Practically all of the capital was put in by the natives themselves; a few small loans were made.

While the Alaskan native woman likes to dress as do her sisters in the same community, especially if she is of the younger generation, the cooperative stores are still selling corsets and are not rushed with orders for knee length or shorter skirts.

Originality Makes Retail Sales

By J. LEROY MILLER

RETAILING is not quite the standardized procedure that many would have us believe. It lends itself to creative and imaginative intelligence just about as readily as any other activity. Indeed I have often observed that the establishments that are preeminently successful are almost invariably managed by a man who fully realizes this.

For instance, there immediately comes to my mind a certain jeweler who operates a number of neighborhood stores in a large eastern city. Unlike so many others he does not waste his time deploring present-day conditions whereby the automobile and radio absorb much of the money that formerly went exclusively and unhindered into gems. No, he has discovered a method of meeting competition.

People Like to Trade With Him

HE lectures on diamonds before business men's organizations, women's clubs—wherever there is an assemblage worthy of his efforts. To be sure there can be no suggestion of advertising in his remarks but the mere circumstance of his appearance brands him an expert and hence the sort of man with whom you would want to do business. This seems to be instantly appreciated for after he speaks 20 or 30 persons usually gather around to seek additional information and to learn his business address. An attractive little pocket mirror bearing an advertisement and freely handed about, insures that these persons will not forget him.

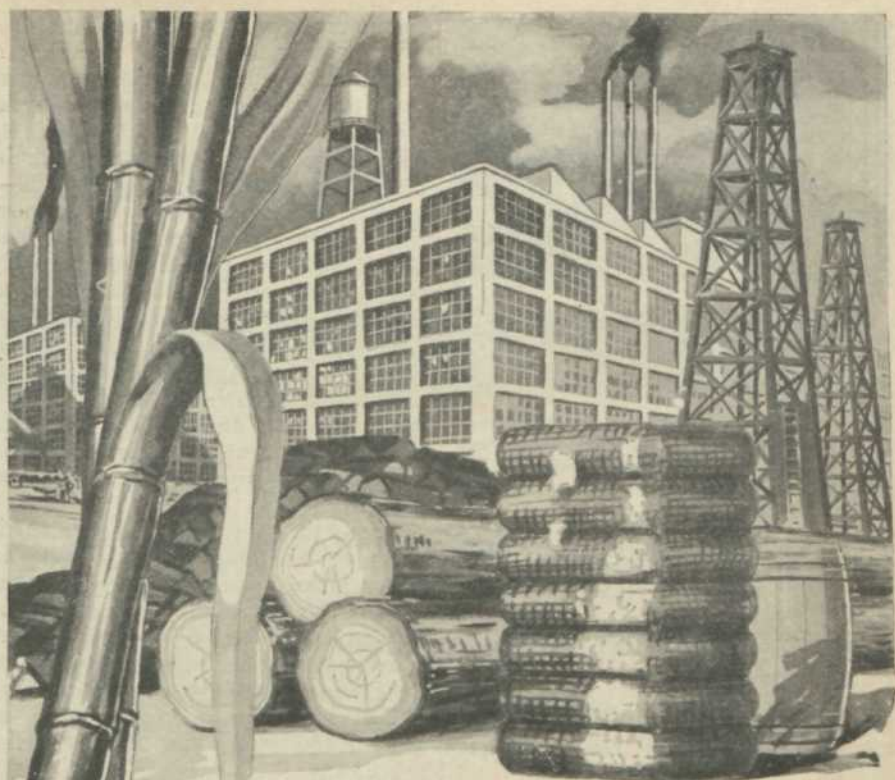
This jeweler, however, is not the only person who is aware that originality can be a wonderful merchandising aid.

A certain merchant selling men's furnishings in a city of 100,000 appreciates it, too. When his stock of top coats arrived last Fall he displayed them in his windows and advertised in the newspapers just as his competitors did.

But he also boxed about 50 of the garments and sent them to the homes of just such men as he thought would be interested in coats of superior quality. Included was an explanatory tag, "I want you to see the sort of top coat I am selling for \$60. My delivery man will call for the package in the morning."

Now anyone will inspect a garment sent to his home and coats were sold to dozens of persons who probably would not have made a purchase had the matter not been brought so ingeniously to their attention.

This illustrates that the customer's desire to buy and possess can be invoked if you only know how. Inversely the wrong methods of presentation quickly blot it out. None would more quickly concur in this assertion than the manager of a certain woman's specialty shop. Some time



Where Raw Materials can be Bought and Handled at Lowest Cost

New Orleans is a primary market for lumber, cotton, sugar, rice, oil, and salt—all of which are grown, produced, or mined, in large quantities within close proximity to the city. It is likewise the primary market for importations such as coffee, molasses, bananas, jute, sisal, and many other commodities. Conversion from raw materials into refined or finished articles, at source of supply, has the economic advantage of enormous savings of transport and handling charges.

Build your Factory in the South's Greatest City . . . New Orleans not only is a market for raw materials, but it is a transportation center (second port of the U. S.) with nine trunk railroads and ninety-one steamship lines having regular sailings to the leading ports of the world. The Mississippi-Warrior Barge Line, operated by the Federal Government, offers a saving of 20% on freight rates to all points on the rivers served by it.

New Orleans is one of the large financial and manufacturing cities of the Country. Efficient labor is available for all needs. The great Mississippi Valley offers a wide market, and the developing trade with Latin-America, to which New Orleans is the natural gateway, offers even greater possibilities for the farseeing manufacturer.

An industrial survey has been made of the city by a nationally known engineering firm. Write for a copy.

NEW ORLEANS ASSOCIATION OF COMMERCE
Room 301 New Orleans, U. S. A.

Primary
Market For Staples



Unusual
Transportation Facilities . . .



Gateway
to Latin-America . . .



Mild and
Equable Climate . . .



NEW ORLEANS

Where Production and
Distribution Costs are Lower



A Better Cutting Job At a Lower Cost

Many hundreds of estate owners throughout the country are lowering their lawn maintenance costs with Ideals—and are getting trimmer, smoother lawns.

Four sizes of power mowers. The "20" and "25" are wheel type mowers. The "22" and "30" are roller type (roll as they cut).

Send for free new catalog, showing the way to better lawns at the minimum cost per acre.

Ideal Power Lawn Mower Co.
450 Kalamazoo St. Lansing, Mich.

Branches:

413 West Chicago Ave. Chicago, Illinois
237 Lafayette Street New York City
161 Vester Street Ferndale (Detroit), Mich.

Dealers in all principal cities

IDEAL POWER LAWN MOWERS

We Will Give You Reliable Information About Canada



of the Canadian Pacific Railway, consult this branch.

We have an expert staff continuously engaged in research relative to all resources including the examination of mineral deposits. Practical information is available concerning development opportunities, the use of by products, markets, industrial crops, prospecting and mining.

BUREAU OF CANADIAN INFORMATION:

The Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. Our Reference Library, at Montreal, maintains a complete data service covering Natural Resources, Climate, Labor, Transportation, Business Openings, etc., additional data constantly being added to keep it up to date.

Canadian Pacific Railway Co.

Department of Colonization and Development
J. S. DENNIS, Chief Commissioner
Windsor Station Montreal, Canada

Reprints of any article in this issue will be supplied at your request, at cost.

ago he discovered that leather items had been heavily overbought and that it would consequently be necessary to close them out at a comparatively large discount.

He directed that the entire bulk be placed indiscriminately upon a table—bargain counter fashion. But the merchandise, though of superior quality and the peer of similar goods bought readily enough only several months before at nearly twice the price, would not sell.

Then the manager directed that the bulk of the handbags be removed and but one sample of each of the six or eight types be left on display. They were sold in a trice, so were the replacements. In three days the supply of 20 or 30 dozen was exhausted.

Simply the old trick of making an article appear exclusive. Quantity, it should be remembered, always cheapens. The patrons of the speciality shop were not the type to be attracted by bargain counter merchandise or anything resembling it. Realization of this bit of practical psychology has led to a re-arrangement of many of the articles sold throughout the entire store.

When everything is said and done, however, the conception of an original retailing idea is one thing and the converting of a direct liability into an asset another and harder one.

That is why I have always had great admiration for a certain small city druggist. His store is on a downtown corner and his windows are much sought as a display place for notices of benefit suppers, amateur theatricals and school entertainments.

This is a considerable problem for, were he to provide space for all the posters presented, he would at times barely have room for anything else. And yet he can't turn people down. It would be mighty bad for business.

Answer to the Placard Problem

BUT he has a remedy. In his window hangs a frame and a glass. On it is a label offering it to just such organizations as have been beseeching places for their posters. If it is already in use he promises to alternate the signs or at least tempers the harshness of downright refusal by the promise of future display. Even then the duties of the glass and frame as a conservator of good will are not entirely done. In short the bad impression of denial is balanced or outweighed by the counter offer. Thus a liability shared by many a merchant in town and smaller city has been changed into an asset.

Indeed, it is never difficult to demonstrate the manifold advantages of approaching retailing as an original problem rather than something standardized long ago. It is ever the attitude of success and the one that has enabled a jeweler of my acquaintance to formulate a way of bringing back the customer who, while planning to make a purchase, is at the moment "merely looking."

Let us imagine that a woman having a

few minutes of leisure enters his store.

"I would like to see some men's wrist watches," she says.

"Do you want it for a gift?" tactfully asks the jeweler after a little while.

"Yes," she admits "for my son's birthday. However, I have nearly a month in which to make a selection and I am not going to buy it today."

"And of course," the jeweler finally says, "we offer the very latest engraving. Here is a rough sketch of an appropriate design."

The woman leaves. Several weeks later she sets out actually to make the purchase but the store where the first inquiry was made is far away and she enters another. A selection is just about to be made when she remembers the design the first jeweler showed her. But the salesman merely shows her the conventional card with the various types of engraved letters. He doesn't make the sale. The customer goes far out of her way to buy the present in the store that offers the superior service.

Originality in retailing certainly counts.

Children's Banks

By A. L. White

A NEW form of Americana demonstrating how habits of thrift were inculcated in the youth of previous generations is on display in the Seaman's Bank for Savings in New York City. The display includes two collections of children's savings banks, one made by Col. William H. Gleaves and the other by Elmer Rand Jacobs, controller of the bank.

In the Gleaves collection are pottery banks, some of them 100 years old and probably the earliest specimens made in this country. Since they were made by the potters for their own use, they are very rare.

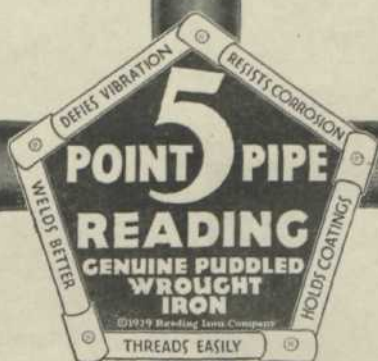
Just why people connected the idea of thrift with pigs is not clear but in this small collection are three pig banks. One, more suggestive of hoarding, has a squirrel at the base of a stump. Another clever piece of beautiful workmanship looks like one of the old-fashioned lowboys sought by furniture collectors. It is complete, even to the handles on the drawers and finished to give the appearance of wood.

Some of the banks reflect the history of the times when they were made. There is a Civil War soldier, an artillery bank and one interesting piece with which the young depositor placed his coin in a cannon and shot it into a model of Ft. Sumter.

Another shooting bank, if the description may be used, is an Indian whose long-barrelled gun shot the coin into a bear.

Truly many of the little banks, if arranged chronologically, might give us a hint of historical events and business development of the last century.

Missing Links



A chain of evidence stretches far back into the past to attest the remarkable endurance and economy of Reading Genuine Puddled Wrought Iron Pipe. The links of this chain are the years—the long generations—in which Reading Pipe has served the Nation so faithfully.

With untried substitutes for Genuine Puddled Wrought Iron, these links are missing. That is why no substitute can give you *proved* protection from pipe troubles. Time alone tells the truth about pipe.

To assure you of the qualities that have made Genuine Puddled Wrought Iron so famous, Reading still uses the time-tested puddling process—the only fully proved way of making genuine wrought iron. You will eliminate guesswork by insisting on Genuine Puddled Wrought Iron—and by making sure that every piece of wrought iron pipe you buy bears the Reading name, date of manufacture, and spiral knurl mark.

Reading tubular goods are furnished in sizes ranging from $\frac{1}{8}$ " to 20" in diameter

READING IRON COMPANY, Reading, Pennsylvania

Atlanta	Baltimore	Cleveland	New York	Philadelphia
Boston	Cincinnati	St. Louis	Chicago	New Orleans
Buffalo	Houston	Tulsa	Seattle	San Francisco
Detroit	Pittsburgh	Ft. Worth	Los Angeles	

READING PIPE

GENUINE PUDDLED WROUGHT IRON

The Test Tube Works for the Store

By LOUIS BARNET

Executive Vice President, R. H. Macy & Co., Inc., New York City

SCIENCE has come to the aid of retailing. Today it is instilling a new confidence in the mind of the buying public, creating satisfied customers by making them enlightened purchasers.

R. H. Macy & Co., Inc., of New York City, has definitely enlisted science in its business through its Bureau of Standards, which operates as a testing laboratory for the thousand and one items of merchandise which come and go through its stocks. Fundamentally, the Macy Bureau of Standards has four functions:

First, it analyzes and compares offerings of manufacturers in order to determine the best values.

It conducts tests for ascertaining the performance and durability of merchandise.

It tests merchandise presented by customers for adjustment.

Finally, it gathers and classifies all information received, building up specifications for the standardization of various types of merchandise.

The trend of the business world is unreservedly toward implicit truth in advertising. Misrepresentation, where it has existed, has often been unintentional. Statements have crept into advertising copy which were not true, simply because the advertiser himself did not know the actual truth about his merchandise. Occasionally, also, salesmen eager to complete a sale to the store's buyer, have allowed their enthusiasm to carry them to exaggerated claims about their offerings.

The "Acid Test" for Goods

MACY'S bureau of standards has coped with this situation admirably. Its task is to furnish the facts. Where doubt exists, chemical and physical tests are made to determine the truth.

Before a statement as to quality or content is inserted in an advertisement Macy's chemists have read and given approval to it.

If a fabric is represented as rain-proof, that means that the laboratory has found it to be so. If a cosmetic is advertised as having no harmful ingredients, that means



Disputes with salesmen or customers dissolve readily when subjected to the acid test in this store laboratory

that test tube and retort have proven it. If a curtain is said to be nearly sun-proof, that means that it has been tested and its properties of fading noted.

The Macy laboratory is placed in the midst of the buyers' offices, on the fifteenth floor of the store. It has a good psychological effect upon salesmen. Questions as to composition or quality of goods offered are not debated. They are referred instead to the director of the laboratory.

His notations are untouched by personal bias, for he is not concerned with whether the store is buying or selling the materials on which he is working.

Almost every trade association has a code of ethics, but too few have a workable set of merchandise specifications. Macy's is trying to work these out for itself in the laboratory, and to apply them to its buying. There is no question as to how far ahead of the older method of buying, through friendship, "superselling," or price cutting, the present system is.

The Bureau of Standards has another advantage. It makes for good will when a question of returned goods enters. This is illustrated by a recent experience in the store.

A customer returned a handbag purchased eight years before as genuine cowhide leather. The bag had seen considerable service, and one of its corners had been broken rather badly. The customer claimed it was made of paper only.

"What," he asked, "are you going to do about it?"

Macy's told him that it would like to have the bag carefully examined, as it

was also interested. Examination indicated that it had not been misrepresented but that it belonged to the type of stock available during and following the war period. It was faced with a thin leather covering of cowhide which had dried out, cracking and exposing the paper backing.

It appeared that the customer, who turned out to be a cattle inspector, had some knowledge of hides on the hoof. But he was not aware of the common prac-

tice of splitting a hide into several sheets, each with different properties and uses. He was satisfied that the merchandise was not misrepresented when the facts in the matter were placed before him. The case was simple and was equitably settled because the Bureau had gotten the facts.

Pays in Dollars and Cents

OFTEN a visitor, passing from the busy aisles of the store into the quiet atmosphere of the laboratory, will ask, "Does this have a dollars and cents return?" Macy's believes that it has.

The Bureau is in keeping with the spirit of the times. Chemistry is being more and more regarded as the handmaiden of industry. Applied science is the order of the day.

There is a distinction, however, between this type of store laboratory and the research organization of an industrial plant. Macy's tests materials of present manufacture and consumption, while the factory scientists look for new products and new uses for old products.

When, as the result of advertising, a popular demand is built up for a product, Macy's carries the product to supply that demand. It does so because it considers itself in the light of a purchasing agent for the customer. If, however, it also carries another similar item of greater value for the money, it does not hesitate to say so. It does not disparage the first article. It simply presents the facts concerning the two.

Recently an analysis of a new toilet preparation priced to sell at \$2 for a two-ounce bottle was found to be practically identical with a similar one selling at 94



"Can you wrap a neat bundle?"

ONLY a few years ago a clerk's value to a shop-keeper was, to a large extent, dependent on his speed and ability to do up a neat package.

Then the manufacturer sold his goods in bulk and the retailer did his packaging for him—with a scoop and a brown paper bag.

The old order has changed. Today the manufacturer's success as a merchandiser depends a great deal on his ability to do up a neat, quick package. Machinery has made it possible for him to protect his product with a package that keeps it fresh and clean. Machinery has made it possible for him to give his product a name—an identity that gives him the opportunity to increase his sales through advertising.

Pneumatic Scale Corporation has played a pioneering part in

the evolution of product merchandising from the bulk to the package. It has led the way steadily from the earliest efforts of this kind to the stage where its perfected machines operate without the aid of a single human hand, many times human speed, and with better than human skill.

The small manufacturer turning out a few hundred units a day—and the large manufacturer turning out thousands—the Pneumatic System can serve both equally well. The machines in this system are made on a basis of unit design, so

that from an humble start of one machine the manufacturer can add on correlated machines, all running in conjunction with each other until, with the complete system he can fill, weigh, line, seal, and label his packages at any speed to meet his needs.

Special Production Machines, Inc. is a division of the Pneumatic Scale Corporation, Ltd., whose function is to design and build machines to perform operations that are still being done by hand, because no machines have ever before been built to do them automatically. Its work also includes speeding up existing machinery and re-designing semi-automatic machinery to make it fully automatic.

Descriptive literature will gladly be sent on request to executives who would like to know more about the PNEUMATIC SCALE CORPORATION and the type of concerns it is serving

The Pneumatic Scale System of PACKAGING MACHINERY

..... for every packaging purpose • dry or liquids

PNEUMATIC SCALE CORPORATION LTD. NORFOLK DOWNS, MASS.

When writing to SPECIAL PRODUCTION MACHINES, INC. please mention Nation's Business



SOLVING vertical freight traffic problems

PEELLE Doors embody the results of over twenty years' specialized experience. They bring advanced mechanical and engineering principles to all problems of freight elevator traffic. Electrically operated...by a push button switch...they render quicker opening and closing action, speed freight traffic movement, lessen manual labor and maintenance costs. PEELLE automatic operation recommends itself to industrial plants, storage and warehouses, shipping and railroad terminals. Consult our engineers...or write for a complete catalog.

THE PEELLE COMPANY, Brooklyn, New York
Boston, Chicago, Cleveland, Philadelphia, Atlanta and
30 other cities. In Canada: Toronto and Hamilton, Ontario

PEELLE Freight Elevator DOORS

"The doorway of America's freight elevator traffic"

ST. CATHARINES

ONTARIO



"The Garden City
of Canada"

THE IDEAL LOCATION for your Canadian Plant. Beautifully situated twelve miles from Niagara Falls on the main line of the C. N. R. between New York and Toronto, also has C. P. R. Freight connections and Trucking Service; Provincial Highway through the main business street; good roads, paved streets, unexcelled educational facilities, and the finest water system in Canada.

Splendid Factory sites; lowest Electric Power rates in Ontario; sufficient Labor supply; Radial and Bus service throughout the Niagara District.

Highest type of manufacturers and workmen:

Address

THE CHAMBER OF COMMERCE
ST. CATHARINES, ONTARIO

cents for an eight-ounce bottle. Such a finding naturally increases the "I'm-from-Missouri" attitude of the store's buyers.

A young woman returned a raincoat of the school type, known as a slicker, because it had become sticky after the first rain. Examination showed that it had been improperly vulcanized. The customer was thus shown to be fully entitled to a complete adjustment. Further tests on similar slickers in stock showed that the returned one must have been the exception, for the others stood up well. A raincoat of another type brought back into the store was found to have a seam which leaked. The material was satisfactory, but the workmanship was at fault. The defect was pointed out to the manufacturer, who in turn promised to inspect his processes more thoroughly.

There is scarcely any phase of buying or selling which does not seem to make the Bureau indispensable. It has been of great service recently in assisting with the stylists' plans. When a complete ensemble in women's wear is planned, for instance, it is a simple matter to make sure that the materials involved have a similar degree of durability, resistance to fading and the like. Buying by specification is always preferable to buying by guess, except, of course, where style enters as the controlling factor.

Helps Industry, Too

THE findings of the Bureau may at times be of great value to a particular industry. Some time ago, for instance, examination of various silks showed a lowering of quality by several manufacturers. They had been engaged in a price-cutting contest. And while they were impairing the quality of their silk, rayon, silk's active competitor created in the research laboratories, was forging ahead. The test-tube was showing up the situation. Finally the suggestion was tactfully brought to the attention of the competing silk manufacturers that it might be to their interest to improve the quality of their fabrics and forget about price cutting for a while, lest their business slip from their hands.

The entire store personnel is coming under the influence of the bureau of standards. It is developing a more critical appreciation of merchandise. The bureau is solving the everyday problems of the buyer and equipping him with a fund of added information about his merchandise. Inasmuch as it is one of the fundamental Macy policies to train its own buyers and department managers in the organization, this type of education becomes increasingly valuable, both to the public and to the store itself.

Since the Macy bureau of standards has been functioning it has been conducted on a liberal policy with regard to exchange of findings. It has worked with research bureaus of manufacturers and trade associations. These findings eventually may be published. They will doubtless form a valuable contribution to available scientific data concerning thousands of articles of everyday use.

Tomorrow's Airports

(Continued from page 32)

problem of efficient airport construction and that my purpose in bringing it before the public is to stimulate interest in the question of airports.

It is evidently desirable and practicable first to build a small airport and later to expand it to meet requirements; but in every case today's airport should be built as part of a general preconceived plan.

To increase the revenue of our airports, it seems to me that we can learn an excellent lesson from Tempelhof Field, Berlin, and from Littorio Field, Rome. Here special attractions for visitors have been developed to a point where, to the Littorio, as many as 12,000 persons have come over the week-end.

At the latter field the architects have created an atmosphere of dignity and permanence. They have designed a ball room, a well-appointed restaurant, a large athletic field, and a gallery for visitors.

At both fields an atmosphere of confidence in aviation has been developed to such a degree that visitors do not for a moment think of the old-time idea of danger in flying. Instead they look on the planes as merely another of the routine activities of modern life. Air travelers spend 90 per cent of their time on the ground, 10 per cent in the air; a good airport absorbs their attention and keeps their minds off the supposed hazards of flying.

A Civic Center, Too

I BELIEVE an airport can be made a real civic center, a place for recreation and entertainment as well as for the business of flying, a place citizens can visit with pride and where they can spend idle hours pleasurably.

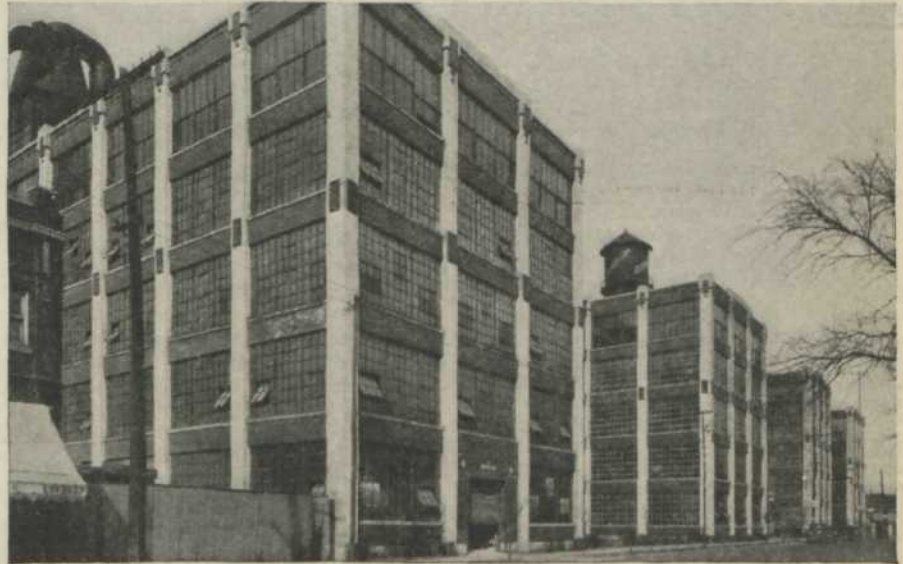
I know no reason why athletic fields, swimming pools, dance halls, indoor and outdoor restaurants, a hotel, boating, a park system, a model community, good transportation facilities, and parking space for planes and autos cannot be developed.

Within five or ten years every large city and many towns of secondary importance will require a landing field just as they have required a railroad station. This landing field, because of its importance in area and because of the city traffic it will necessarily draw, will become a feature in the major interests of the community.

"For all we know to the contrary," remarks W. W. Atterbury, president of the Pennsylvania Railroad, "air transport may embrace the most important field of progress that this generation is to see. Nor must we forget our national defense in which it already has been demonstrated that aircraft is one of the dominating factors. Patriotism joins with business sense in demanding encouragement in every legitimate way."

We must begin now to avoid the topsyturvy, helter-skelter methods with which the rail and water transportation problems were met by our fathers and grandfathers.

Nationally known users of Fenestra . . . Wahl Pencil Company



Plant of the Wahl Pencil Company, Chicago, Illinois
Architect: B. H. Prack, Pittsburgh, Pa. Contractor: W. A. Weiboldt

PENCILS and Fountain Pens—they produce them by the million. Production in such tremendous quantity not only requires machinery of the most modern type, but housing facilities that measure up to the same high standards.

So Wahl officials, like many of the country's largest producers, called upon Fenestra to provide adequate daylighting and aeration throughout their spacious workrooms. And they have a plant that will stand for years as an example of modern industrial construction, made highly efficient by a well conceived layout of steel windows.

Both the daylighting and aeration of factory buildings need no longer be surrounded with uncertainty. Without obligation Fenestra's Department of Engineering Research will show you how much light and air can be obtained from any arrangement of windows. Write or telephone Fenestra.

DETROIT STEEL PRODUCTS COMPANY
2292 East Grand Boulevard, Detroit, Mich.
Factories: Detroit, Michigan and Oakland, California

NATIONALLY KNOWN PRODUCTS MADE IN FENESTRA-EQUIPPED PLANTS

Aeolian Products
Mirro Aluminum Ware
American Radiators
Disston Saws
Eastman Kodaks
Eureka Vacuum Cleaners
Edison Lamps
Hoover Cleaners
Western Clocks
Westinghouse Products
U. S. Radiators
Graybar Products
Delco Light
American Stoves
Brunswick Radios
Magnavox
—and scores of others.

Fenestra

steel windows

When writing to DETROIT STEEL PRODUCTS COMPANY mention Nation's Business



JUNIOR ENVELOPE SEALER

\$12

Seals All Your Mail

The STANDARD JUNIOR SEALER affords a permanent and efficient method for sealing your mail. It handles every style, shape and size of envelope, filling the needs of both small mailers and also the larger mailers who use it in conjunction with automatic sealers, for catalogues and bulky pieces.

It does its work quickly and neatly applying just enough moisture, without soiling the envelope or the letter inside. Moreover, the Junior is strictly sanitary and eliminates unhealthy sponge cups or rollers—traps for germ-laden dust. There is nothing to wear out; no adjustments, cleaning or replacements. It will last a lifetime.

The new STANDARD STAMP AFFIXER affixes stamps 5 times faster than by hand, neatly and securely. Many improvements in this new model.



Standard MAILING MACHINES CO.
Everett, Mass.

Also various hand and motor-driven envelope sealers—Postal permit machines

Please send me your booklet. Our mail averages _____ pieces daily.

Company _____
Individual _____
Address _____

Free descriptive literature will be sent, without obligation.



YOU and your BROKER

—clear understanding of what is expected of both is the basis of successful market operation. Even seasoned traders will find much valuable information in the handy pamphlet "How to Avoid Loss Through Knowledge of Brokerage House Technique" recently compiled by the leading publication in the financial field. Mailed anywhere upon receipt of 10c. Address Dept. C-176

THE MAGAZINE OF WALL STREET
42 Broadway New York City

Other Side of a Business President

(Continued from page 47)

some thousand books, each one contributed by a friend of Dick Hall or of some member of his family. Each book carries on the fly leaf an inscription by the donor and on the following page Mr. Hall introduces the donor to the reader. Mr. Coolidge wrote this in the volume he gave:

To Edward K. Hall:

In recollection of his son and my son who have the privilege by the grace of God to be boys through all eternity.

Calvin Coolidge.

A Tribute to Father and Son

THE next page carries the following passage from Mr. Hall's pen, describing an incident that caused his dead son to regard Mr. Coolidge with a real affection:

One day when Dick was about ten years old, I took him through the State House in Boston, explaining how laws were made and something about their administration. We finally wound up in the Senate Chamber and were sitting in the front row in the gallery. I was telling Dick how the Senate functioned, pointing out the Senator from our own district and explaining the duties of the President of the Senate as Presiding Officer of the Senate when a sergeant-at-arms tapped me on the shoulder and said, "Mr. Hall, the President of the Senate has asked me to inquire if your son would not like to come down and sit beside him in the Speaker's chair." Mr. Coolidge was at that time President of the Senate, and from that day on I think Dick regarded Mr. Coolidge not only as the greatest man in the United States but as the real friend of all boys.

Mr. Coolidge will forgive anything but the petty, mean blow below the belt. You may look through all his state papers, documents and speeches in the past twenty-odd years and you will fail to find a personal condemnation of any person who has honorably disagreed with him upon an issue or principle. He concedes to all men the right to hold a contrary point of view, to urge it, to contend for it. And that, also, is an attribute which may well be said to be an inheritance, as the following family story illustrates:

His father, the late Col. John C. Coolidge, was the Nestor of his neighborhood. The neighbors came to him for advice on crops, on their investments and on current political events. He was visited at the Plymouth homestead but a year before his death by a delegation of prominent Vermont Republicans, whose spokesman plunged into the business of the visit without delay.

"Colonel Coolidge," declared the spokesman, "We've got to beat him."

"Beat who?" inquired the Colonel.

"Beat who," exclaimed the spokesman.

"Why, beat Porter Dale, of course, and beat him so badly it will teach him a good lesson."

Senator Dale, Republican, was then a candidate for renomination.

"What's he done?" said the Colonel.

"Done? He's raised the devil with your son down in Washington. He voted against him on the soldiers' bonus."

The Colonel calmly met question with question.

"What could he have done?" he asked.

There could be no answer to that question. Up to that moment, Colonel Coolidge alone had remembered that Senator Dale, during his previous campaign, had declared as an election pledge that he would support the soldiers' bonus. The Colonel was quick to concede that Senator Dale would have degraded and possibly have ruined himself politically by defaulting upon that pledge.

Calvin Coolidge's similar ability to put himself in the other fellow's position maintained many a friendship that otherwise would have been broken, saved him many a fuss with equally strong characters and enabled him to have his way with Congress. Without that and without a sense of humor how could he have maintained his temper when Congress went on an oratorical or filibustering spree?

In moving about Washington during the Coolidge regime one heard all sorts of questions about the personality and character of this "strange" man from Vermont. Some of them were apt, more of them inane, a few sensible, most of them prompted by the mythical atmosphere which was early built around him. But all the questions invariably wound up with the stock one, "Has he a sense of humor?"

It was strange that Washington failed to pierce the veil. Washington is skillful. The foreign nations send there the ablest exemplars of that famous school of "personal diplomacy." The city is also the Mecca of the professional lobbyists.

The Coolidge Sense of Humor

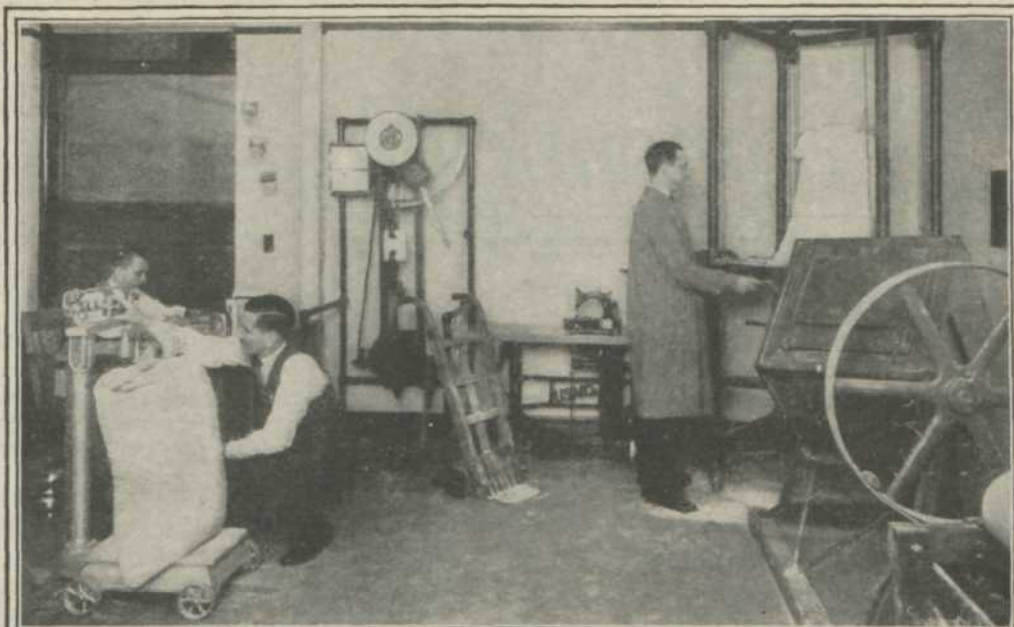
THESE gentlemen are master craftsmen in studying human nature. But if they failed to "get" Mr. Coolidge, as they frankly confessed, he did not fail to "get" them. He employed his abundant sense of humor frequently to size up a situation, to avoid a dilemma or to diagnose the motives of those who would have preyed upon him or his office, as the following stories disclose.

Had he accepted a hundredth of the invitations to deliver speeches, to attend banquets and to preside at dedication exercises he would have had little time to administer the affairs of government. His secretary one day informed him of the presence in the White House waiting room of an imposing delegation which insisted that the President had promised to address the annual convention of their organization.

"What did you tell them?" asked the President.

"I told them," said the secretary, "that there must be a mistake; that your engagement book contains no such entry."

"That's right," said the President. "You



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stick to it, and I'll amplify it by saying nothing."

White House callers fall into a few general types. There are the tourists and sight-seers. There is the gentleman who obeys the conventions and with great respect for the office of President keeps secret the purpose of his conference with the President, declining to respond to the questions of the waiting newspaper men when he leaves. He is a rare bird. The most frequent visitor is the propagandist, who talks with the President briefly, and, when he has left him, delves into his pocket and produces for the press a long, carefully prepared "statement" which he seeks to have published in support of the particular "ism" he is advocating.

Nailing the Propagandist

MR. Coolidge summarized that type to me one day. He nailed them in a single sentence.

"You know," he said, "a lot of people come into my office and use it for a sounding board."

When he first came to Washington as Vice President, Mr. Coolidge was beset by invitations to become honorary president of this golf club or that ward club, to lend his formal patronage to this charity or that bazaar, to become an honorary advisor of this corporation or that organization.

One day he was visited by a Washington bank president, who came quickly to the point of his mission. His bank was new, he said, but sound management and prudent investment had combined to make it a staunch and worthy institution. The Vice President, being a man of wide experience, would realize that the reputation of a bank is often measured by the reputation of those outstanding citizens who intrust their funds to its keeping. Would Mr. Coolidge honor the bank with a deposit. Any amount, however small, would be deeply appreciated.

"Why don't you make me an honorary depositor?" asked Mr. Coolidge. The banker, being a sober and dignified person, was slow to detect the twinkle in his eye.

That story wends its way logically into this one, which is here committed to type for the first time. Mr. Coolidge did "honor" that bank with a deposit, possibly in compensation for his joke. He was later strolling past the bank, in the dusk of an autumn evening, accompanied by an old Boston friend, who talks the language of the day. Suddenly there was a terrific noise from within.

"What in the hell is that?" exclaimed the Boston friend as he instinctively ducked and jumped.

The President, unruffled and undisturbed, continued on at his normal pace.

"It may be that deposit of mine drawing interest," he replied.

Many reasons have been ascribed for his momentous announcement that he did not "choose" to run again. Some said it was his appreciation of the precedent established by General Washington. Others that he was tiring of the Presidential

glamours. One cause, slight as it may have been, was his knowledge that popularity is a fickle thing, and that tenure of public office is far from permanent.

He was walking one evening with the late Senator Spencer of Missouri. As their steps led them back to the White House Senator Spencer pointed to the mansion and jokingly asked, "I wonder who lives there?"

"Nobody," replied the then President. "They just come and go."

Mr. Coolidge is a devotee of historical works. He seizes opportunities to make pilgrimages to the shrines hallowed by the nation's founders. Washington and Lincoln are his favorites and anyone who can supply him with a new work upon the latter is certain to furnish him with an evening of enjoyable reading. But he has a strong regard for all the Presidents.

So it was not strange that when he was asked to comment upon one of the "modern" works portraying alleged delinquencies of General Washington, he turned abruptly to the south window of his office and, pointing to the great stone shaft erected in grateful remembrance to the Father of His Country, tartly observed, "His monument is still standing there."

Mr. Coolidge finds it difficult to engage in small talk. Gossip he loathes. Catty complaint he detests and, during his Presidency, was quick to rebuke.

A feminine guest at a White House luncheon had obviously sought this opportunity to belabor her pet enemy. This enemy happened to be an American ambassador who was understood by the Administration to have performed meritorious service. But, according to the lady's estimate, he was rough, uncouth, uncultured, and lacking in respect for the customs, traditions, and ceremonials of the ancient court to which he had been assigned.

Tige Illustrates a Point

TIGE, the old black cat that is almost a White House tradition, had sauntered into the room and was lazily rubbing itself against the table leg. The President turned to the person upon his right and said in a voice that was quite audible to the shrewish woman upon his left, "This is the third time that cat has stopped at this table."

His motto was to get along with people with whom he had to deal. Just as he admitted their right to differ with him, he conceded also the frailties of human nature. An American ambassador had been experiencing embarrassments in his foreign post. Invited to the White House for luncheon the ambassador poured his lament into the ear of the President, who had selected him for his trying diplomatic role. He disliked the people there. He believed their leaders were treacherous and unreliable.

"Well," observed the President, "this white collie of mine will steal food from the table, but I like to have him around just the same."

The attention which was showered upon Mr. Coolidge as President, often be-

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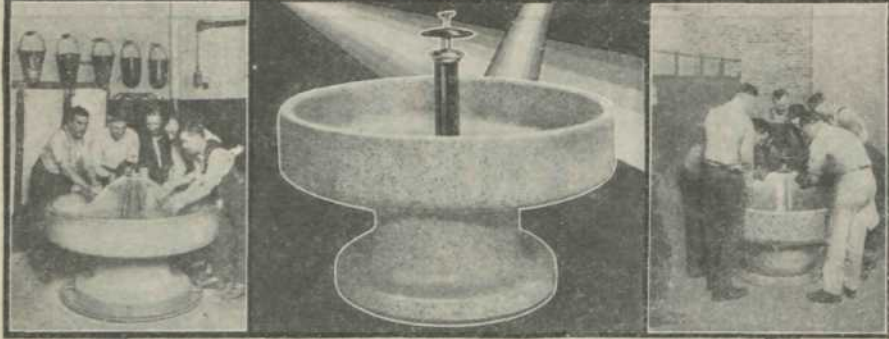
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came boring. There was the dining-car steward, always at his elbow. He hoped the President enjoyed the soup. Was the entree satisfactory? Did the salad dressing meet with the approval of the Presidential palate? Was the coffee right?

"Did you expect something to be wrong with it?" the President asked.

Newspaper men who saw him for the first time said that the quality which made the strongest impression upon them was his innate dignity. He had great respect for the office which he held, and he expected respect for it from others. Too, he harbored a kindly regard for anyone who stood by his guns and did not permit undue respect for the office to engulf him.

To a secret service attendant who, in response to a question, allowed that a storm was probably brewing in the approaching clouds, the President said, "Well, what are you going to do about it?"

To which the secret service man replied, "I am only a secret service man but you are the President of the United States; what are you going to do about it?"

Mr. Coolidge always relished having that self-reliant secret service man on duty with him thereafter.

An Admirer of Character

IN the realm of practical politics, Mr. Coolidge rubbed elbows with quaint, odd and rough characters. He was fond of those pure diamonds who manifested strong traits of character, no matter how rough their edges might be.

When Mr. Coolidge was president of the Massachusetts state senate a certain solon had interrupted the Democratic floor leader as the latter was accusing the Republican party of responsibility for all the ills of mankind. The Democratic leader, *sotto voce*, had bluntly consigned the disturber to a climate renowned for its heat.

The senator rushed to the president on the rostrum.

"Do you know what he told me to do?" protested the insulted one.

"Calm yourself, Senator," said the president. "I have read the constitution and the rules and there is nothing in them to make you do it."

A true estimate of a man may be drawn from his sense of humor. Calvin Coolidge has fun and kindness in his makeup, along with the firmness, patience and that actual trait of character which, for lack of a more adequate word, is called reticence.

He had the patience during his Presidency to do merely the day's work, confident that future history would justify it. He hoped that when he retired the country would think of him as his younger son, the late Calvin, thought of President Wilson.

The boy, then holding all the promise of youth, wrote eight years ago when Woodrow Wilson yielded the Presidency to his successor, "I saw President Wilson leaving the White House today. I thought that was too bad, because I have been told he made a good President."

How High Can a Woman Climb?

(Continued from page 43)

the commercial elevator, why don't they take the full ride? Summing up, I found two reasons generally given by men employers.

One was that women have great honesty, but less honor. Though conscientious about money and responsibility, they are less scrupulous than men, generally speaking, in matters of business ethics. They have a fine sense of responsibility to the personal trust, to the details of the job, but not to the job itself.

They quit without notice, many employers complained. They'll take a job for less than it's worth just to keep it from the other fellow, others said.

They Lack the Business "Urge"

THE other reason that men employers gave for women's failure to rise to the top in commerce was their lack of the "urge." Women don't reach the roof because they are content with the less windy levels.

This is due, in part, to a difference in economic necessity. Women generally have only themselves to provide for, whereas a man has a greater financial demand to meet.

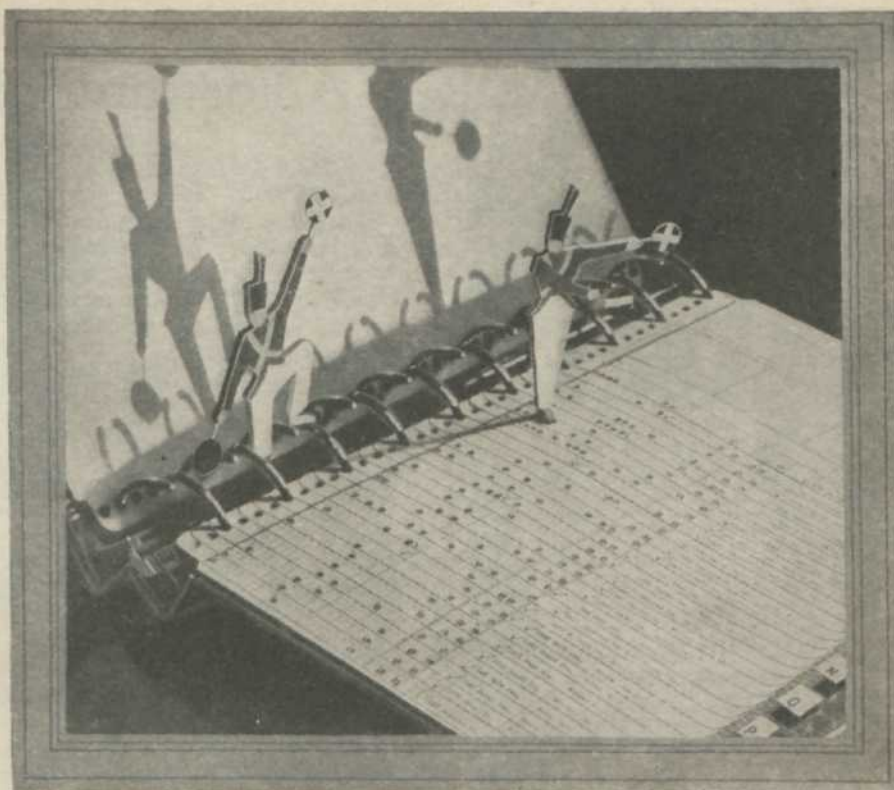
But in greater part it is due to the difference in standards of success for the two sexes. At the identical point where, economically, a man feels conscious of his shortcomings, a woman in business is proud of her achievement. What a man sees as a stepping-stone, appears to the woman as a good, comfortable place to sit.

I believe any prognosis as to the future of women in business is impossible, due to the constant development and change in all fields of activity, in economic conditions, and in social theories.

It must be remembered that most women now definitely pursuing positions of importance in commerce are still young. It is only since the war that women have gone into commerce with training, foresight and a challenge. Men seldom achieve major positions under 40. It is still too early to estimate the potentialities of the American business woman.

She has formed her luncheon clubs, her business women's leagues, her chamber of commerce, her bankers' association, her press clubs. If women are not, as yet, numerically threatening the sanctity of man's sphere, if they are not yet feminizing the "conference," they at least are to be found in practically all but the highest places.

And more and more is the college girl, who feels the job and the normal feminine life to be compatible, being urged by schools of business administration and by women already in the field to avoid the purely technical secretarial or stenographic training, and to prepare herself more broadly in the theory and principles of business.



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A Forward View of Congress

(Continued from page 58)

further legislation. Other railway questions that will continue to figure in congressional discussions are: repeal of the Pullman surcharge; modification of the Hoch-Smith rate-revision resolution; amendment of the Railway Labor Act; and the recapture clause.

Little has been heard lately of the long and short haul bill.

A New Canal

CONGRESS has authorized a survey of possible routes for a new canal across the Isthmus, in Nicaragua or elsewhere. Final legislation to start construction will not be attempted until the survey is made.

This project will be opposed strongly by those who feel that water transportation rates cause favorable railway rates for coast points to the disadvantage of interior points which do not have the benefit of water competition in the fixing of railway rates.

It may work out that the new canal can not get the approval of Congress until a large compensatory program of inland waterways is adopted.

Federal Courts

MORE and more it is becoming apparent that our national business structure has a vital interest in the preservation of the federal courts. Nevertheless efforts to diminish the powers of the courts will persist and bring renewed attempts to pass legislation such as the Shipstead anti-injunction bill and the Norris bill taking from the federal courts jurisdiction in cases based on diversity of citizenship.

Radio Commission

DESPITE an eleventh hour senatorial filibuster the Federal Radio Commission had its life extended for one more year.

Prominent members of both branches now are agitating a new federal communications commission to regulate radio, telegraph, telephone and cable services.

Reapportionment of Congress

THE closing days of the Congress saw the failure of a strong effort to have the Senate pass the House bill to reapportion its membership.

Apparently, however, agreements were made that promise final action on this in the forthcoming extra session.

The Census of 1930

THE 1930 census bill was caught in the last-minute Senate congestion and failed of final passage, but it is assured of consideration in the summer session. Business men are especially interested in the new provision for a census of distribution.

Unemployment

JUST before the adjournment a Senate committee made a report of its study of causes of unemployment. It recommends:

1. Recognition by private industry of

its responsibility to stabilize employment.

2. Industrial unemployment insurance. Government insurance schemes, if any, should be confined to states.

3. Efficient state and municipal employment exchanges.

4. Reorganization of the United States Employment Service.

5. Better unemployment statistics and use of 1930 census for that purpose.

6. Federal government planning of public works as a reserve against economic depressions.

World Court

THE acceptance by the jurists of foreign governments of the Root formula for the entrance of the American government into the Court of International Justice may result in revival of that issue in the Senate if that body is asked to pass upon the new agreement. Probably, however, such Senate action will not be attempted until the Council of the League of Nations has approved the Root plan.

Credit and Banking

CONGRESS has been slow to take precipitate action on the numerous proposals respecting the Federal Reserve Banks and the use of bank credits. There is little likelihood that legislation on that subject will come out of the extra session. Nevertheless, the somewhat frenzied temper of the securities market and the possible effect on business credits may bring extensive discussion and perhaps a congressional inquiry into the situation.

Several bills dealing with national banks and the Federal Reserve System were introduced the last session but they made little or no progress.

Bills Not Passed

SOME idea of questions that will come up for further congressional treatment may be had by scanning the bills that made progress but failed to pass in the last Congress. The list of such bills not mentioned above includes:

Irrigation of Columbia River Basin.

Creation of a Federal Department of Education with a secretary in the President's Cabinet.

Establishment of foreign trade zones in American ports.

Federal regulation of live stock grazing on public lands.

Authorization of an additional program of river and harbor improvements.

Federal regulation of motor buses in interstate commerce.

The Vinson bill to prevent trading in cotton futures.

Application of the quota principle to immigration from Mexico.

Licensing of produce commission men by the Department of Agriculture for the purpose of establishing fair trade practices between dealers and producers of farm products.

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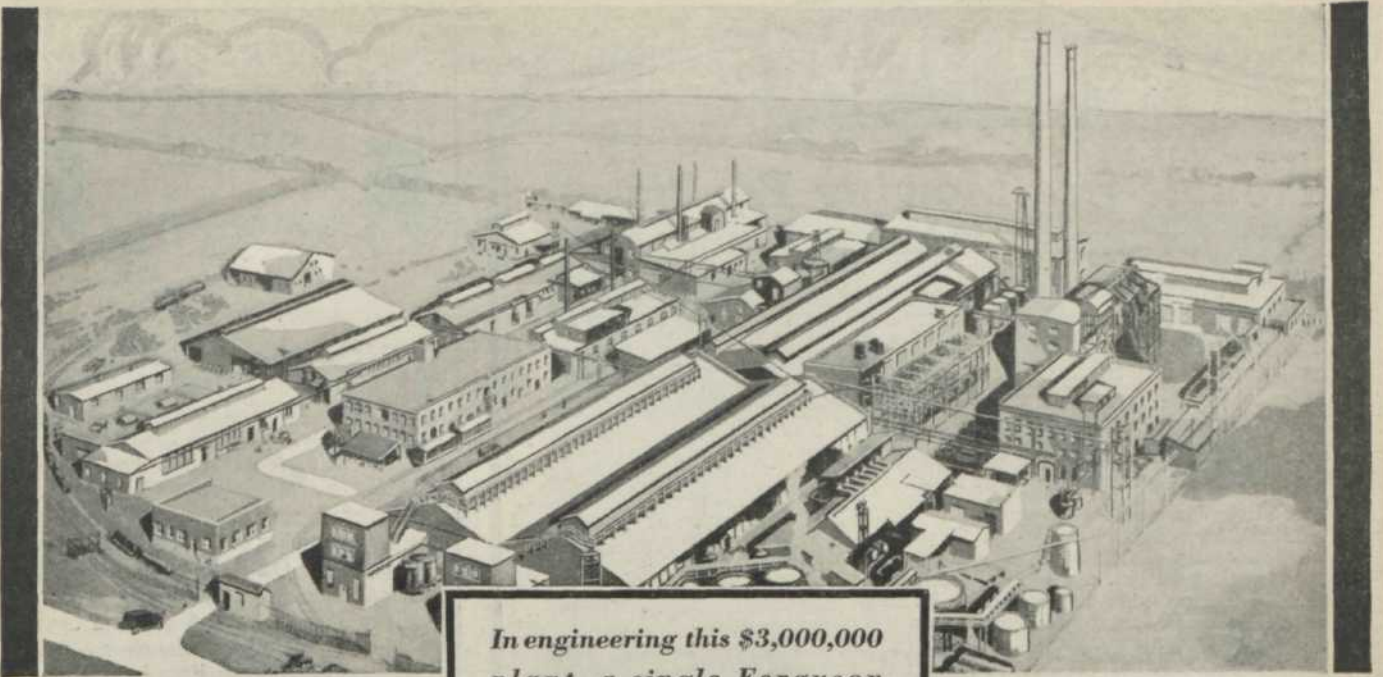
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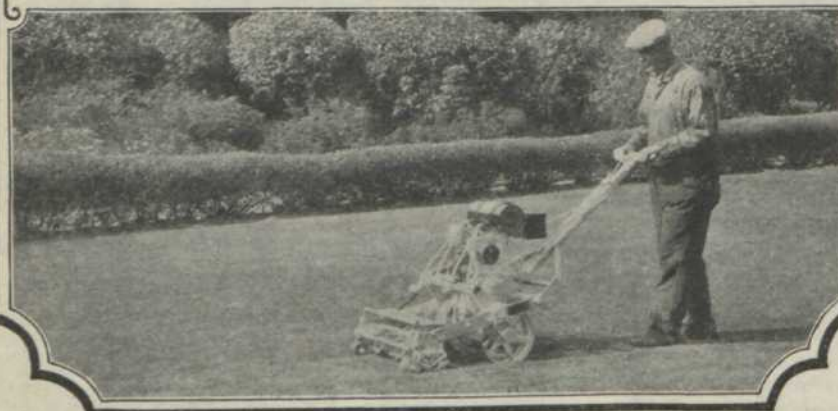
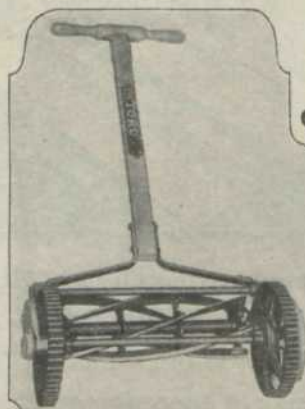
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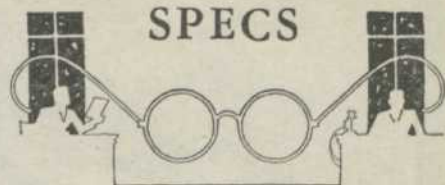
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THROUGH THE EDITOR'S SPECS



FOR months, the subject of the relations between manufacturers and their retailers has been engaging the attention of business. NATION'S BUSINESS has on many occasions tried to throw light on this rather intricate subject. In February an editorial was printed which told of the policy of the Oshkosh Overall Company of Oshkosh, Wisconsin. This firm asks its retail customers to sell its product at no profit. A weapon against the loss leader policy of the chains, rather than a straight profit item is what is being sold.

Is such a policy sound? The question was asked, and the replies have been divided. C. E. Wittmack, sales manager for the company in question, assures us that his company is on the right track, because the results prove it. He says:

In the chain store, notably the J. C. Penney Company, there is organized merchandising in its most advanced form, taking advantage of the possibilities of featuring overalls without profit.

It would be idle to claim that Penney's activities have not affected some of our dealers. When these merchants come to us and ask our advice about what to do to hold their customers or to increase their trade, would you have us advise them to sell Oshkosh B'Gosh Overalls on the legitimate markup to which they are undeniably entitled? Would this be honest counsel to our dealers?

All that the chain is trying to do with its overalls is to create the habit of coming to their store. The lives of all of us are governed largely by habit and this is, undoubtedly, even more true of overall wearers.

In order to prevent them from forming the habit of going to the chain stores and from forming the habit of thinking that the independent store is high priced, we advocate the loss leader principle of merchandising Oshkosh B'Gosh overalls.

Our attempt to promote the loss leader idea for our product has met with a great deal of comment, 95 per cent of which has been unqualifiedly favorable, so that we are more sold on the idea than ever.

T. S. DUKE, the general manager of the Star Sprinkler Corporation in Philadelphia, says on the same subject:

It is extremely easy to educate the buying public, of which we are all a part, to low prices, but it is far from easy to reverse this action and even secure a fair price. To our mind, there is never justification in giving away the results of our labor, and a study of business results for the past two years is convincing proof that a great many businesses did just that.

To our way of thinking, there never was a time in which it was so necessary to se-

cure a fair price. A great many businesses have gone ahead with production, seemingly without any thought as to the disposing of the additional product. While this, of course, is the cause for some of the profitless selling, it is far from being the whole cause.

We would say, without hesitation, that the greater cause was pure selfishness and a desire to get ahead of the other fellow by any means that came to mind—even to the extent of losing money.

LAST month we published an anonymous article "I am a Failure at Fifty." That was an effort to discover why an individual had not succeeded. M. M. Robbins of Fredonia, Kansas, sat down the other day and asked why business failed, and reached these interesting conclusions:

My observation of the business failures is not that a majority of them are caused by the banker who is behind them. While I am located in a small town, I have observed a number of fellow business men who have fallen by the wayside, and I can recall only one case where the banker really should be held responsible.

One class of failures is the man who should never be in business. They may be incompetent or underfinanced to start with. This class may drag along for several years before failure overtakes them.

The other class is the man who is a good business man, but through outside speculation or by speculation in other lines which he knows nothing of, he becomes so heavily involved that his losses wipe out his business.

The third class is the business man who has a good business, but will not take care of it, and leaves it to incompetent hired help. I know of a number of cases of that kind.

P. A. WEATHERED, secretary-counsel of the Southwestern Ice Manufacturer's Association, Houston, Texas, winds up a letter with this pleasant tribute to the magazine:

I wish to take this opportunity to express to you my very high appreciation of the worth of your great magazine to American business. I can very truthfully say that you are of great assistance to one in my position for whom at times the effort to keep his vision of success becomes something of a struggle.

With his letter Mr. Weathered sends a copy of the bill now before the Texas legislature to make ice a public utility in that state and to put the manufacturing sale of that commodity under the state railroad commission.

A suggestion a little shocking to a publication which has so constantly and insistently urged that business do its own regulation.

Mr. Weathered's organization evidently is conscious of criticism that might follow for in an accompanying brief it says:

After many years of effort at improvement by the industry itself, the industry as a whole has come to the conclusion that the attendant evils and abuses cannot be eliminated except through measures that will recognize and control it as a public utility.

While the proposed measure and this analysis are in the nature of a very frank confession of inability of the industry to correct its own deficiencies, in all fairness,

Serving WESTERN MARKETS from OAKLAND, California



ANY manufacturer interested in a distributing or manufacturing branch on the Pacific Coast will find "We Selected Oakland" most valuable in giving consideration to a western plant location. "We Selected Oakland" contains the personally written statements of executives of nationally-known concerns operating plants in the Oakland industrial area, telling the advantages they have found both in manufacturing and distributing to the markets of the eleven western states. A number of them are exporting to the countries bordering on the Pacific Ocean

"We Selected OAKLAND"

will be mailed to anyone interested, upon request. Concerns planning upon a western branch are cordially invited to send for a detailed industrial survey on their particular lines of business. No cost or obligation will be incurred and all correspondence will be strictly confidential.

write
INDUSTRIAL DEPARTMENT

OAKLAND, central distributing point for the eleven western states



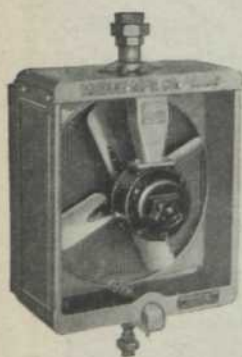
Oakland Chamber of Commerce, Oakland, California



THE remarkable development of flood-lighting has a very comparable parallel in the development of flood-heating.

Modine Unit Heaters do with heated air in the factory what these giant lamps do with light on the aviation field. They direct heat where it's needed — they deliver it down and keep it down. They are installed overhead just as industrial lighting is installed — and they are as flexible in application and operation.

You use individual Modines as needed, just as you use individual lights as needed. They cost less to install and their operation is a perpetual economy.



Modine Unit Heater, Model No. 701 — weighs only 130 lbs. — replaces approximately 2½ tons of cast iron radiation.

MODINE MANUFACTURING COMPANY
1710 Racine Street (Heating Division) Racine, Wis.
Branch offices in all large cities.

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Modine
Unit **HEATER**
FOR STEAM, VAPOR, VACUUM, HOT WATER HEATING SYSTEMS



When writing to MODINE MANUFACTURING COMPANY please mention Nation's Business

it should be kept in mind that almost every reasonable and effective effort that the industry might make towards its stabilization and towards elimination of waste and duplication would come under the inhibitions of present laws.

WAINWRIGHT EVANS' "What the Wheel Has Done for Us" found an interested reader in Kellogg, Idaho, who says:

I was very much interested in your article "What the Wheel Has Done for Us" and I might call to your attention that a prominent chemist from South Africa told me a short time ago that the only labor-saving equipment which has been imported with which the South African native was very much impressed was our much maligned "Irish buggy" or wheel-barrow as their point of view was that any one who had brains enough to make a wheel do the work instead of one's head was a top-notch.

A mining friend just returned from a manganese concession in Russian Georgia and told me that their ore was hauled in baskets on carts with oxen just as in Bible times and he thought that they were using the same carts.

THE article by Professor James E. Boyle, "Cooperatives and Common Sense," in our January issue, brought, as all good articles ought to bring, criticism and approval. W. H. Schureman, Secretary and Manager of the Anaheim Citrus Fruit Association, Anaheim, California, says:

It so happens that I have been the manager of a local association, or unit, of the California Fruit Growers Exchange since October, 1899, with the exception of a period in the early part of 1913 to October 31, 1918.

During all these years I have had to do with only two different local associations; and while it probably should not be for me to say, it happens that both of them have been exceptionally successful, possibly not through my own activities but through the splendid cooperation I have always received from the members and particularly from the Board of Directors with whom I naturally have closer contact.

It was not the general experience of citrus fruit growers in the early '90's that nearly all the Commission men, Receivers, and others who in any way had dealings with the growers, were altogether honest and efficient in their transactions.

It was notorious that many growers not only lost all of their fruit by mishandling and in other ways through no fault of their own, but they often received "red ink" returns. This was ridiculous in the face of the very small output in those days.

All of these things made it absolutely necessary that the producers organize to protect themselves. Hence, we proceeded to do something, the outcome of which was the formation of the Southern California Fruit Growers Exchange, whose name was afterwards changed by omitting the word "Southern."

"TEAMWORK for Business" is not an empty phrase. No man studying business conditions in America can overlook the importance of the chamber of commerce and the trade association. Here is testimony from the distinguished British

editor, Sir George Armstrong, who is a member of a group of British journalists who recently came to this country to study economic conditions.

The chambers of commerce which exist in every city, appear to constitute far greater living forces than we find in the case of similar institutions at home, which are very often more ornamental than useful. In America, active and energetic assistance is given to traders whenever the help of their chamber is invoked, in the direction of obtaining information regarding markets or prices.

In addition to these advantages, mutual collaboration and interchange of information between the respective members are the keynotes of their business policy, with consequent advantage to everyone concerned.

The clerical work involved in the task of collecting and collating information everywhere is considerable, and no expense seems to be spared in following a quest whatever it may be. The United States Chamber of Commerce is an institution which should be the envy of every similar type of organization throughout the world.

BUT neither the troubles nor the benefits of the chambers of commerce are peculiar to America. The *Journal* of the Chamber of Commerce of Auckland, New Zealand, has something to say in a recent issue dealing with the question of membership in these words:

"Please cancel my membership in the Chamber of Commerce, as I do not have the opportunity to take advantage of it," said a note on a statement of dues returned by a member.

Do you cancel your life insurance because you do not die? Do you cancel your income tax because you have no children, and therefore no stake in the country's education system? Does your membership in the Chamber of Commerce mean that you expect to get shilling for shilling return right this year on your dues? Do you expect the Chamber organization to be continually doing something tangible for you or your line of business, and are you going to get out because you cannot see that this is being done?

If so, you not only want to get out of the Chamber, but out of the city. Go and live on some desert island. Members mustn't expect that they can buy new hats with Chamber of Commerce dividends. The dividends are not of that kind.

ONE or two members of our "There-Ought-To-Be-a-Law-Club" have written in to ask why we have neglected that important subject. We have not forgotten it but we know the ball is rolling on without our pushing it. Here's proof in a stanza from the High Point, N. C., *Enterprise*:

You want a law, I want a law,
All of God's chillun want a law;
When I git to Heaven goin' pass me a law
I kin keep one day out o' seven.

Heaven! Heaven!
Everybody passin' laws ain't goin' there;
Heaven! Heaven!
Ain't nobody goin'
to be lawed in
God's Heaven.

M.T.



Expand your business with Radiograms

Bring your foreign contacts closer to home. Use the speed and accuracy of Radiograms. Direct circuits to Europe, South America, Near East, and Far East. No relays. Hence, no wasted seconds... minimum chance for errors. Mark your messages

"Via RCA"

File Radiograms to Europe, Africa, Asia, Central and South America at any RCA or Postal Telegraph Office; to Hawaii, Japan and the Far East at any RCA or Western Union Office; or phone for an RCA messenger.

RADIO CORPORATION OF AMERICA

Central Radio Office—ALWAYS OPEN

64 Broad Street, New York City

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THIS is the eleventh of a series of editorials written by leading advertising men on the general subject of "Advertising"

Let's Shun the Medicine Show

HECTIC competition in business causes us to do many queer things. As selling becomes harder, resourcefulness is at a premium. Selling straws are grasped at. New ideas are given a tryout. The advertising man snaps through his daily dozen of "reactions" and "dominant ideas" with hope, fear and trembling. Out of this melee has arisen a cult of "super-claimers"—possibly not a cult just yet—but a small earnest group.

Many advertising men think it is time to do something about it. Insincere and artificial advertising is resented by a larger proportion of the public than the hokum artist realizes, and while it is offending or amusing intelligent people, it is undermining confidence in advertising. Most agencies and advertisers realize that lasting success is built upon character and confidence. If the product is of value, it will sell with the aid of sane merchandising, and copy that is interesting and convincing—not slick and artful. One can still be resourceful, original and effective within the bounds of common sense and good taste. Perhaps this is all a passing phase in this business of advertising. But let's hope that the public, as well as those selfishly interested in the good health of advertising, will help rid it of ingenious deception.

W. J. FERRY, President,
Ferry-Hanly Advertising
Company



The 1944 Studebaker will be built under this J-M Asbestos Roof

For years to come the Roof of this Great Motor Car Plant will Cost its Owners Nothing for Repairs

THERE are nearly five acres of Johns-Manville Bonded Roofs on six of the new buildings of the Studebaker Corporation at South Bend, Indiana. More than half of the area of the new machine shop shown here, is laid on the slopes of the "saw tooth" construction.

Because every J-M roof is made of materials exactly right for the purpose, and because every J-M roof is laid by expert roofers, Studebaker officials may safely forget this roof for the next 15 years. They know the J-M guarantee states that for at least 15 years this roof will be weather-tight and in good condition. And to support this guarantee there is a 15-year surety bond.

Your own roofing problems can be solved by Johns-Manville. Do you want a twenty-year roof or are you interested in some more temporary structure? Whatever your building, however many years it should stand, there is a J-M roof exactly suited for it.

Roofing is a Problem for Trained Men

Naturally, very few property owners have had the experience and knowledge necessary to qualify as a roofing expert. Yet without cost or obligation you may have the opinion of a technical expert about the roofs of your



Plant of The Studebaker Corp. at South Bend, Ind. showing Johns-Manville roofing applied by General Asbestos and Supply Co., J-M Approved Roofers in South Bend.

Johns-Manville cannot provide a roof of maximum safety and life. The J-M 20-year Bonded Asbestos Roof is a smooth surface built-up roof made of all-asbestos felts and J-M asphalt roofing cement, finished with a coating of J-M asphalt roofing cement

to provide a smooth, uniform appearance.

A final link between Johns-Manville and a finished J-M Roof, is the supervision by a J-M Roof Inspector on every bonded roof making certain of workmanship and thoroughness in every detail. After roofs are in place, J-M Inspectors make return inspections at regular intervals to remedy any unforeseen trouble before it reaches the serious stage—practical Life Extension for your roof.

One Branch of a Famous Family

J-M Bonded Roofings are one branch of a celebrated family of products bearing the J-M trade mark. These include special roofs suitable for every sort of industry, as well as packings, insulations, refractory cements and hundreds of other products which contribute to the control and conservation of heat and power, and the protection of property from the elements. Mail the coupon and a Johns-Manville Roofing Inspector will call on you.

plant. This Johns-Manville specialist will tell you what service you may expect from each roof, and what should be done when work is necessary.

This J-M roofing man has nothing to sell. He will simply report the facts to you, answer questions, and leave you so that you may be permitted to make your own decisions.

A Roof of J-M Standard for Every Building

There is no industrial building for which

There are more than twenty types of J-M Bonded Roofs

To meet the varied roofing requirements of modern building, Johns-Manville provides more than twenty distinct types of Built-up Roofs, covered by surety bonds for 20, 15 or 10 years.



Johns-Manville

BONDED ASBESTOS ROOFS

JOHNS-MANVILLE CORPORATION
New York Chicago Cleveland San Francisco Toronto
(Branches in all large cities)

Please have a Roofing Inspector call at _____

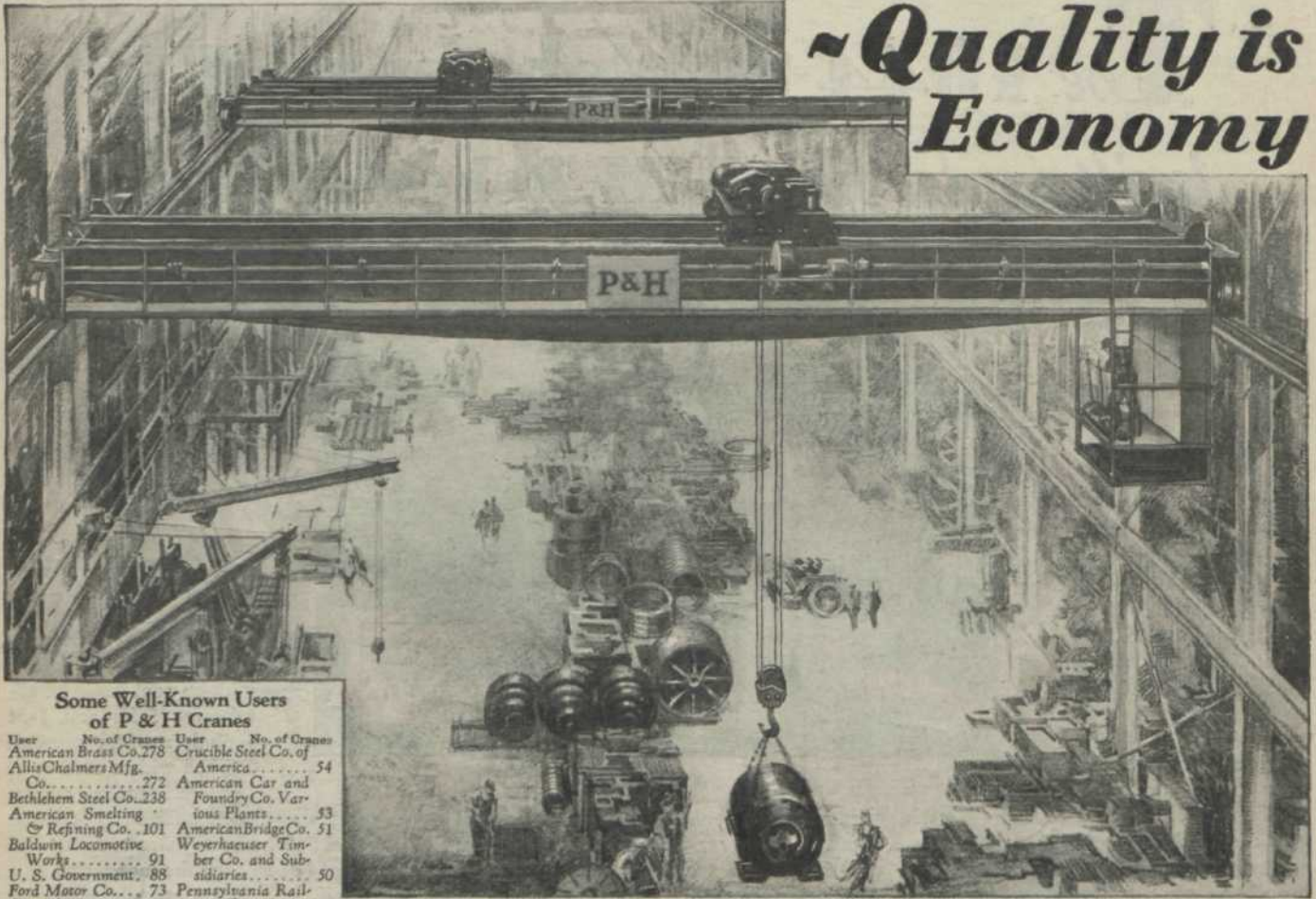
Name _____

Address _____

BU-43-4

When Production Depends on Cranes

Quality is Economy



Some Well-Known Users of P & H Cranes

User	No. of Cranes	User	No. of Cranes
American Brass Co.	278	Crucible Steel Co. of America	54
Allis-Chalmers Mfg. Co.	272	American Car and Foundry Co. Various Plants	53
Bethlehem Steel Co.	238	American Bridge Co.	51
American Smelting & Refining Co.	101	Weyerhaeuser Timber Co. and Subsidiaries	50
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American Brown Boveri Co.	65		
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P & H Corduroy Cranes are rapidly supplanting locomotive type cranes around industrial plants, as they go ANYWHERE and are far more economical in operation. Made in 7½, 10, 12½, 15, 20 ton sizes. Write for Bul. 43-X.



MONEY won't buy time—but it will buy dependable cranes.

How much time would be lost in your plant through a crane "tie-up"? How much potential production would not be realized? How much of your profit would be lost because machines and men stand idle while the crane is being repaired, or you are waiting for parts?

The cost of a shutdown, due to

crane failure, would represent a very large "dollar and cents" loss.

It is economy to install the finest cranes possible. That is why many of the largest and best concerns in the United States have standardized on P & H. Executives responsible for profits will find "The Story of P & H Crane Construction" an interesting and valuable 20 minutes of reading.

May we send you a copy?

HARNISCHFEGGER CORPORATION

Established in 1884

3830 National Avenue, Milwaukee, Wis.

Offices and Agents in All Principal Cities

The Largest Crane Building Concern in the World

P & H Cranes

